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Clifton H. Scott
Oklahoma State Auditor & Inspector

STATE OF
OKLAHOMA

SINGLE AUDIT
FOR THE YEAR ENDED
JUNE 30, 1989

STATE OF OKLAHOMA

SINGLE AUDIT

FOR THE YEAR ENDED

JUNE 30, 1989

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1907

STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City OK 73105
405/521-3495

**TO THE GOVERNOR AND MEMBERS OF
THE LEGISLATURE OF THE
STATE OF OKLAHOMA**

Transmitted herewith is the *Single Audit Report* of the State of Oklahoma for the fiscal year ended June 30, 1989. The audit was conducted in accordance with the requirements of the Single Audit Act of 1984 (Public Law 98-502) and the provisions of the Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. As provided by the Act and Circular, our study and evaluation of the internal accounting and administrative controls of the federal financial assistance programs and our tests of compliance with laws and regulations of these programs did not include those federal financial assistance programs administered by the state public universities and colleges.

The review of internal controls and compliance disclosed certain findings as detailed in this report. The report also contains our recommendations regarding each finding. Management has been requested to respond to the findings and recommendations in the *Single Audit Report* in writing within 60 calendar days of the date of the issuance of this report. Those responses received within this time frame will be issued under a separate cover in a report entitled *Responses to the Single Audit Findings/Corrective Action Plan.*

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

STATE OF OKLAHOMA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1989

STATE OF OKLAHOMA
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

TABLE OF CONTENTS

REPORT OF STATE AUDITOR AND INSPECTOR 1-3

COMBINED FINANCIAL STATEMENTS

COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUP 4-5

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS 6

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL (BUDGETARY BASIS NOTE 3) - GENERAL AND SPECIAL REVENUE FUNDS 7

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS-ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS 8

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS 9

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE 10

NOTES TO THE FINANCIAL STATEMENTS

Financial Statements and Description of Funds and Account Group 11
Financial Statements 11
Fund Accounting 11
    Governmental Fund Types 11
    General Fund 11
    Special Revenue Funds 12
    Debt Service Funds 12
Proprietary Fund Types 12
    Enterprise Funds 12
    Internal Service Funds 13
Other Fund Types and Account Groups 13
    Fiduciary Fund Types 13
    Higher Education Fund Type 14
        Major Universities 14
        Other Universities 14

Other Colleges 15
Long-term Debt Account Group 15

Summary of Significant Accounting Policies 15
All Funds 15
Basis of Presentation 15
Retirement Costs 15
Intrafund and Interfund Transactions 15
Beginning Fund Balance 15
Total (Memorandum Only) Column 15
Governmental Fund Types, Expendable Trust and Agency Funds 16
Basis of Accounting 16
Cash on Deposit with U.S. Treasury 16
Investments 16
Capital Expenditures 16
Accounts Payable 16
Intra Agency Payments - Medical Assistance 16
The Budgetary Process 16-17
Encumbrances 17
Enterprise Funds, Internal Service Funds, and Nonexpendable and Pension Trust Funds 17
Basis of Accounting 17
Investments 17
Property, Plant and Equipment 17-18
Inventories 18
Higher Education Funds 18
Basis of Accounting 18
Fund Accounting 18
Investments 18
Student Revenues 18
Accounts and Notes Receivable 18
Inventories 19
Plant 19
Comparison of Budget and Actual 19
Cash and Deposits with Treasury 19
Investments 19
Restricted Assets 19
Enterprise Funds 19
Grand River Dam Authority 19
Department of Human Services - Oklahoma Medical Center 19
Oklahoma Student Loan Authority 19
Oklahoma Municipal Power Authority 20
Oklahoma Water Resources Board - State Loan Program Revenue Bonds, Series 1985 20
Oklahoma Water Resources Board - State Loan Program Variable Rate Revenue Bonds, Series 1986A 20
Oklahoma Industrial Finance Authority 20
Internal Service Funds 20
Oklahoma Capitol Improvement Authority 20

Property, Plant and Equipment 20
Advances from Motor Fuel Tax Trust Fund 21
General Obligation Bonds 21-23
Revenue Bonds 24

  - Enterprise Funds 24
    - Grand River Dam Authority 24-26
    - Oklahoma Turnpike Authority 26-27
    - Student Loan Authority 27-28
    - Oklahoma Water Resources Board 28-31
    - Oklahoma Municipal Power Authority 31-32
  - Internal Service Funds 33
    - Oklahoma Capitol Improvement Authority 33-34
  - Higher Education Fund Type 34
  - Retirement and Pension Systems 35
    - General Description of the Retirement Systems 35
    - Funding Status and Progress 35-36
    - Significant Actuarial Assumptions 37
    - System Details 37
    - Teachers' Retirement System of Oklahoma 37-38
    - Oklahoma Public Employees Retirement System 38-40
    - Oklahoma Firefighters Pension and Retirement System 40-41
    - Oklahoma Police Pension and Retirement System 41-42
    - Oklahoma Law Enforcement Retirement System 42-43
    - Uniform Retirement System for Justices and Judges 43
    - Investments 44
- Special Indemnity Fund - Restatement of Prior Year's Balances 45
- Reverse Repurchase Agreements 45-46
- Related Party Transactions 46
- Commitments 46
  - Department of Transportation 46
  - Oklahoma Municipal Power Authority 46
- Litigation and Contingencies 47
- Subsequent Events 47

COMBINING FINANCIAL STATEMENTS

COMBINING BALANCE SHEET (BY FUNCTION) - GENERAL FUND 48-49

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BY FUNCTION) GENERAL FUND 50

COMBINING BALANCE SHEET (BY FUNCTION) SPECIAL REVENUE FUND 51-52

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BY FUNCTION) SPECIAL REVENUE FUND 53

BALANCE SHEET DEBT SERVICE FUND 54

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DEBT SERVICE FUND 55

COMBINING BALANCE SHEET-ENTERPRISE FUNDS 56-57

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ENTERPRISE FUNDS 58

STATEMENT OF CASH FLOWS ENTERPRISE FUNDS 59

COMBINING BALANCE SHEET-INTERNAL SERVICE FUNDS 60

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS-INTERNAL SERVICE FUNDS 61

STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS 62

COMBINING BALANCE SHEET-FIDUCIARY FUND TYPES 63

COMBINING STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - PENSION TRUST FUNDS 64

COMBINING STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - PENSION TRUST FUNDS 65

BALANCE SHEET-NONEXPENDABLE TRUST FUND 66

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - NONEXPENDABLE TRUST FUND 67

STATEMENT OF CASH FLOWS NONEXPENDABLE TRUST FUND 68

COMBINING BALANCE SHEET-EXPENDABLE TRUST FUNDS 69

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-EXPENDABLE TRUST FUNDS 70

COMBINING BALANCE SHEET-AGENCY FUNDS 71

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE - CURRENT FUNDS-UNRESTRICTED 72

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE - CURRENT FUNDS-UNRESTRICTED 73

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE - CURRENT FUNDS-RESTRICTED 74

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE - CURRENT FUNDS-RESTRICTED 75

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE - LOAN FUNDS 76

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE-LOAN FUNDS 77

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE - ENDOWMENT FUNDS 78

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE - ENDOWMENT FUNDS 79

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE-PLANT FUNDS - UNEXPENDED 80

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE - PLANT FUNDS-UNEXPENDED 81

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE-PLANT FUNDS RETIREMENT OF INDEBTEDNESS 82

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE-PLANT FUNDS - RETIREMENT OF INDEBTEDNESS 83

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE-PLANT FUNDS - INVESTMENT IN PLANT 84

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-HIGHER EDUCATION FUND TYPE-PLANT FUNDS - INVESTMENT IN PLANT 85

COMBINING BALANCE SHEET-HIGHER EDUCATION FUND TYPE-AGENCY FUNDS 86

SUPPLEMENTAL SCHEDULES

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-GENERAL FUND-GENERAL GOVERNMENT 87-88

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-GENERAL FUND-EDUCATION 89-90

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-GENERAL FUND - HEALTH & SOCIAL SERVICES 91

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-GENERAL FUND-LAW, JUSTICE, & PUBLIC SAFETY 92-93

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-GENERAL FUND-RECREATION & NATURAL RESOURCES 94

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-GENERAL FUND-REGULATORY SERVICES 95-96

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND - GENERAL GOVERNMENT 97

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND-EDUCATION 98

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND - DEPARTMENT OF TRANSPORTATION 99

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND - HEALTH & SOCIAL SERVICES 100

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND-LAW, JUSTICE, & PUBLIC SAFETY 101

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND - RECREATION & NATURAL RESOURCES 102

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-CASH BASIS-SPECIAL REVENUE FUND - REGULATORY SERVICES 103-105

STATISTICAL AND ECONOMIC DATA (UNAUDITED)

STATE COLLEGES 106
STATE COLLEGES AND UNIVERSITIES 107
TAX RATES 108
TAX COLLECTIONS 1979 THRU 1989 109
REVENUES AND EXPENDITURES BY CATEGORY FOR THE YEARS 1979 THROUGH 1989 110
DEPARTMENT OF EDUCATION SCHOOL ENROLLMENTS FOR THE YEARS 1980 THROUGH 1989 111

BANK DEPOSITS FOR THE YEARS 1979 THROUGH 1989 112
POPULATION ESTIMATE FOR THE YEARS 1980 THROUGH 1989 113
ASSESSED VALUATIONS FOR THE YEARS 1979 THROUGH 1989 114
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT (Annual Averages in Thousands of Employees) 115
INDUSTRY EMPLOYERS-BY PLANTS 116
GROSS SALES TAX BY INDUSTRY 117

HISTORICAL TREND INFORMATION FOR PUBLIC EMPLOYEES RETIREMENT SYSTEMS

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA (TRSO) 118-119
OKLAHOMA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS) 120
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM (OFPRS) 121
OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM (OPPRS) 122
OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM (OLERS) 123-124
UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES (URSJJ) 125

AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROLS 126

DEPARTMENT OF HUMAN SERVICES 127
OFFICE OF STATE FINANCE 127-128

OFFICE OF STATE TREASURER 128-135
GENERAL COMMENTS 135-136

AUDITOR'S REPORT ON COMPLIANCE BASED ON EXAMINATION OF THE GENERAL PURPOSE FINANCIAL STATEMENTS 137

AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE BY FEDERAL DEPARTMENT 138

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE BY FEDERAL DEPARTMENT

U.S. Department of Agriculture 139
U.S. Department of Commerce 139
U.S. Department of Defense 139
U.S. Department of Health and Human Services 140
U.S. Department of Housing and Urban Development 142
U.S. Department of Interior 142
U.S. Department of Justice 143
U.S. Department of Labor 144
U.S. Department of Transportation 144
National Foundation on the Arts and Humanities 145
Veterans Administration 145
U.S. Environmental Protection Agency 145
U.S. Action 146
U.S. Department of Energy 146
U.S. Federal Emergency Management Agency 147
U.S. Department of Education 147
U.S. National Archives and Records Administration 149
Others 149

NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE 150

AUDITOR'S REPORT ON INTERNAL CONTROLS (ACCOUNTING AND ADMINISTRATIVE) BASED ON A STUDY AND EVALUATION MADE AS A PART OF AN AUDIT OF THE GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS AND THE ADDITIONAL TESTS REQUIRED BY THE SINGLE AUDIT ACT 152

SCHEDULE OF FINDINGS AND RECOMMENDATIONS OF WEAKNESSES IN INTERNAL CONTROLS RELATED TO FEDERAL PROGRAMS

OKLAHOMA APPELLATE PUBLIC DEFENDER SYSTEM 155
OKLAHOMA CIVIL DEFENSE 156
OKLAHOMA COMMISSION ON CHILDREN AND YOUTH 156
OKLAHOMA CONSERVATION COMMISSION 157
OKLAHOMA DEPARTMENT OF EDUCATION 158
OFFICE OF THE GOVERNOR 160
OKLAHOMA DEPARTMENT OF HEALTH 160
OKLAHOMA DEPARTMENT OF HUMAN SERVICES 162
OKLAHOMA STATE BUREAU OF INVESTIGATION 169
OKLAHOMA BUREAU OF NARCOTICS AND DANGEROUS DRUGS 170
OKLAHOMA DEPARTMENT OF TRANSPORTATION 170
OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS 172

AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS 173

SCHEDULE OF COMPLIANCE FINDINGS AND RECOMMENDATIONS AND QUESTIONED COSTS RELATED TO FEDERAL PROGRAMS

10.551 Food Stamps 175
10.557 Special Supplemental Food Program for Women, Infants and Children 177
10.558 Child Care Food Program 179
10.561 State Administrative Matching Grants for Food Stamp Program 180
10.568 Food Distribution 180
13.630 Developmental Disabilities - Basic Support and Advocacy Grants 180
13.633 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers 181
13.635 Special Programs for the Aging - Title III, Part C - Nutrition Services 181
13.641 Special Programs for the Aging - Title III, Part D - In-Home Services for Frail, Older Individuals 182
13.658 Foster Care - Title IV-E 182
13.667 Social Services Block Grant 184
13.714 Medical Assistance Program 185
13.780 Assistance Payments - Maintenance Assistance 189
13.783 Child Support Enforcement 195
13.789 Low - Income Home Energy Assistance 196
13.802 Social Security - Disability Insurance 200
15.252 Abandoned Mine Land Reclamation (AMLR) Program 204
20.600 State and Community Highway Safety 205
64.005 Grants to States for Construction of Home Facilities 205
64.014 Veterans State Domiciliary Care 206
64.015 Veterans State Nursing Home Care 207
64.016 Veterans State Hospital Care 207,211
72.001 Foster Grandparents Program 213
83.403 Emergency Management Institute - Field Training Program 217
84.010 Educationally Deprived Children - Local Educational Agencies 213-214
84.032 Guaranteed Student Loans 214
84.151 Improving School Programs - State Block Grants 215
All Federal Programs 216

REPORT OF THE STATE AUDITOR AND INSPECTOR

1907

STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City, OK 73105
405/521-3495

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNOR OF THE
STATE OF OKLAHOMA

We have audited the general purpose financial statements of the State of Oklahoma as of and for the year ended June 30, 1989, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the State of Oklahoma's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Oklahoma Educational Television Authority, the Department of Commerce, the Commissioners of the Land Office, or the Special Indemnity Fund, which statements reflect total assets and revenues consisting of 3.7% and 1.0%, respectively, of the related governmental fund type totals. We did not audit the financial statements of the enterprise fund, which statements reflect total assets and revenues consisting of 97.5% and 94.6%, respectively, of the related proprietary fund type totals. We did not audit the financial statements of the various pension funds, the nonexpendable trust fund, the Oklahoma State and Education Employees Group Insurance Board, the Commissioners of the Land Office, or Deferred Compensation, which statements reflect total assets and revenues consisting of 88.7% and 83.5%, respectively, of the related fiduciary fund type totals. We did not examine the financial statements of the higher education fund type. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned entities, is based solely upon the reports of the other auditors.

Except as discussed in the next two paragraphs, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The colleges and universities, other than the University of Oklahoma, Oklahoma University Health Sciences Center, Oklahoma State University, El Reno Junior College, Oklahoma City Community College, Tulsa Junior College, Carl Albert Junior College, and Western Oklahoma State College do not maintain plant ledgers with details of the values assigned to the investment in plant assets. We were not able to satisfy ourselves as to the fair presentation of such assets.

Central State University, East Central Oklahoma State University, Northeastern Oklahoma State University, Northwestern Oklahoma State University, Southwestern Oklahoma State University, and Southeastern Oklahoma State University report as expenses, amounts paid to retired employees under their respective Supplemental Retirement Annuity Plans out of current operating funds rather than amounts determined based on actuarial valuations of the Universities' liabilities under the Supplemental Plans, as is required by generally accepted accounting principles. We were unable to obtain information as to the estimated actuarial liabilities of the unfunded Supplemental Retirement Annuity Plans and are, therefore, unable to satisfy ourselves as to the amounts determined in accordance with generally accepted accounting principles of liabilities and retirement plan expenses related to the Supplemental Retirement Annuity Plans by other auditing procedures.

The aforementioned general purpose financial statements do not include a balance sheet for the general fixed assets account group, which should be included to conform with generally accepted accounting principles. The omission of this statement results in an incomplete presentation of the financial statements.

The aforementioned general purpose financial statements do not include the capital projects fund, which should be included to conform with generally accepted accounting principles. The State accounting system does not provide for the separate reporting of all capital project activities. Consequently, those transactions are reported within the other existing funds. We are unable to determine the net effect of this basis of presentation on the other funds.

The statement of revenues, expenses, and changes in retained earnings of the Oklahoma Turnpike Authority and all statements of the Student Loan Authority, which comprise 15.5% and 26.0% of the assets and revenues, respectively, of the enterprise fund, are prepared on the basis of cash receipts and disbursements. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred, and certain assets have been expensed and are not recorded on the balance sheet. Generally accepted accounting principles prescribe the accrual basis of accounting and reporting for enterprise funds. While the net effect of this departure on retained earnings for the Oklahoma Turnpike Authority is approximately $185 million, we were unable to determine the overall effect on the enterprise fund.

The property, plant, and equipment of the Department of Corrections - Oklahoma State Industries and the property, plant, and equipment and inventories of the Office of Public Affairs have been excluded from the combined balance sheet of the internal service funds. Generally accepted accounting principles require the presentation of those assets for internal service funds. Due to the nature of the accounting records, we were unable to determine the net effect of this omission on the internal service funds.

The State is party to numerous lease-purchase agreements for equipment (primarily computer equipment). Generally, such leases meet the criteria for capitalization under generally accepted accounting principles, and accordingly, the State should record its obligation for those assets in the general long-term debt account group. The accounting records of the State do not permit the gathering of the information necessary to meet this reporting requirement, and we were unable to determine the effects of such obligations on the general long-term debt account group.

As discussed in Note 14 to the financial statements, there existed several related party transactions within the State Treasurer's Office during fiscal years ended June 30, 1988 and June 30, 1989. The ultimate outcome of any potential litigation cannot presently be determined.

As discussed in Note 13 to the financial statements, the State Treasurer's Office has invested significant amounts of state funds in reverse repurchase transactions. We were unable to determine that the State Treasurer's Office had the necessary statutory authority to make these investments. The ultimate outcome of any potential litigation cannot presently be determined.

In our report for the State of Oklahoma dated December 15, 1989, we expressed an opinion that the 1988 financial statements, with certain exceptions as noted in our opinion, did fairly present the financial position and results of operations of the State of Oklahoma in conformity with generally accepted accounting principles. However, during our audit of the current period financial statements we became aware of two departures from generally accepted accounting principles: (1) At June 30, 1988 the State Treasurer's Office had custody and title to certain securities in the amount of approximately $567,000,000 that were not included in the assets of the Trust and Agency Fund, and (2) At June 30, 1988 the State Treasurer's Office had a liability to repurchase collateralized securities in the amount of approximately $567,000,000 that was not included in the liabilities of the Trust and Agency Fund. Accordingly, our present opinion on the 1988 financial statements is different from that expressed in our previous report.

In our opinion, based upon our audit and the reports of other auditors, except as listed in the above paragraphs, the general purpose financial statements referred to in the first paragraph present fairly the financial position of the State of Oklahoma as of June 30, 1989, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Oklahoma. Such information, except for the statistical schedules which are unaudited, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the matters discussed in the third through the twelfth preceding paragraphs, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

COMBINED FINANCIAL STATEMENTS

STATE OF OKLAHOMA
COMBINED BALANCE SHEET
ALL FUND TYPES & ACCOUNT GROUP
JUNE 30, 1989

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
ASSETS			
Cash and deposit with Treasury (Note 4)	$ 1,006,076,718	$ 196,386,182	$ 891,810
Cash and temporary investments, restricted	20,214	0	0
Accrued interest receivable	0	0	0
Investments (Notes 2,5, and 11)	612,413	0	0
Investments at fair market value (Notes 2 and 11)	0	0	0
Other receivables	0	0	0
Accounts receivable	9,921,586	2,025,129	0
Due from other funds	3,959	1,367,734	0
Due from federal government	21,794,899	6,498,989	0
Due from other state agencies	1,011,638	19,298,114	0
Notes receivable	0	0	0
Inventories	8,609,735	10,385,529	0
Prepaid expenses	5,743	40,106	0
Property, plant and equipment (net) (Notes 2 and 7)	0	0	0
Restricted assets (Note 6)	0	0	0
Other assets and deferred charges	557	23,907,344	0
Equity in state school land funds	0	0	0
Amount available in debt service	0	0	0
Amount provided for retirement of long term debt	0	0	0
TOTAL ASSETS	$ 1,048,057,462	$ 259,909,127	$ 891,810
LIABILITIES AND FUND EQUITY			
Liabilities:			
Warrants payable	$ 231,501,101	$ 0	$ 0
Accounts payable and accrued liabilities	65,047,950	15,955,998	0
Notes payable	0	0	0
Unpaid losses and loss expenses	0	0	0
Due to other funds	0	0	0
Funds held in custody for others	154,045	0	0
Premium deposits, unearned premium and other	0	0	0
Other liabilities	94,108	24,694,406	0
Deferred revenues and deposits	0	11,069,428	0
Refundable motor fuel tax (Note 8)	0	0	0
General obligation bonds payable (Note 9)	0	0	0
Revenue bonds payable (Note 10)	0	0	0
Total liabilities	296,797,204	51,719,832	0

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	HIGHER EDUCATION FUND TYPE	ACCOUNT GROUP	TOTAL
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	COLLEGES AND UNIVERSITIES	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY - NOTE 2)
$ 36,619,882	$ 14,032,374	$ 702,785,759	$ 170,713,276	$ 0	$ 2,127,506,001
204,812,930	2,295,770	0	0	0	207,128,914
0	0	51,045,481	869,664	0	51,915,145
442,625,528	0	3,821,227,561	109,139,961	0	4,373,605,463
0	0	911,642,690	0	0	911,642,690
0	0	224,303,730	0	0	224,303,730
80,888,039	21,805,315	0	81,492,162	0	196,132,231
25,532,520	0	475,057	3,142,357	0	30,521,627
0	0	0	271,112	0	28,565,000
0	0	0	0	0	20,309,752
44,064,599	0	0	0	0	44,064,599
22,996,675	5,096,980	36,626,544	18,494,881	0	102,210,344
665,564	16,028	0	1,316,343	0	2,043,784
1,297,121,598	29,109,635	759,761	1,328,496,776	0	2,655,487,770
378,677,080	0	0	0	0	378,677,080
250,723,341	0	18,235,656	5,255,112	0	298,122,010
0	0	0	79,521,112	0	79,521,112
0	0	0	0	891,810	891,810
0	0	0	0	43,688,190	43,688,190
$ 2,784,727,756	$ 72,356,102	$ 5,767,102,239	$ 1,798,712,756	$ 44,580,000	$ 11,776,337,252
$ 0	$ 0	$ 2,051,301	$ 0	$ 0	$ 233,552,402
63,996,339	2,934,832	125,332,967	48,124,387	0	321,392,473
84,136,840	0	0	485,413	0	84,622,253
248,915,507	0	0	0	0	248,915,507
24,486,925	0	0	10,832,666	0	35,319,591
0	0	516,540,510	4,355,846	0	521,050,401
18,693,898	0	0	0	0	18,693,898
33,583,939	0	61,289,293	26,648,773	0	146,310,519
0	0	2,954,392	19,446,969	0	33,470,789
51,380,969	0	0	0	0	51,380,969
54,745,000	0	0	0	44,580,000	99,325,000
1,655,001,160	30,367,713	0	114,372,999	0	1,799,741,872
2,234,940,577	33,302,545	708,168,463	224,267,053	44,580,000	3,593,775,674

STATE OF OKLAHOMA
COMBINED BALANCE SHEET
ALL FUND TYPES & ACCOUNT GROUP
JUNE 30, 1989

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
Fund Equity:			
Contributed capital	$ 0	$ 0	$ 0
Retained earnings:			
Reserved	0	0	0
Unreserved	0	0	0
Fund balance:			
Unrestricted	0	0	0
Restricted	0	0	0
Reserved:			
Encumbrances and contracts	26,106,873	219,339,340	0
Less amount reimbursed by federal government (Note 15)	0	(131,815,922)	0
Inventories	7,153,431	10,385,529	0
Net assets available for benefits	0	0	0
Permanent trust	0	0	0
Unemployment benefits	0	0	0
Other	6,136,431	0	0
Unreserved:			
Designated	100,000	15,937	0
Designated for debt service	0	17,364,530	891,810
Undesignated	711,763,523	92,899,881	0
Total fund equity	751,260,258	208,189,295	891,810
Commitments and contingent liabilities (Notes 13 and 14)			
TOTAL LIABILITIES AND FUND EQUITY	$ 1,048,057,462	$ 259,909,127	$ 891,810

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	HIGHER EDUCATION FUND TYPE	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY - NOTE 2)
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	COLLEGES AND UNIVERSITIES	GENERAL LONG-TERM DEBT	
$ 5,082,712	$ 0	$ 0	$ 0	$ 0	$ 5,082,712
62,664,049	2,682,106	0	0	0	65,346,155
482,040,418	36,371,451	0	0	0	518,411,869
0	0	0	160,191,379	0	160,191,379
0	0	0	1,414,254,324	0	1,414,254,324
0	0	0	0	0	245,446,213
0	0	0	0	0	(131,815,922)
0	0	0	0	0	17,538,960
0	0	4,262,267,644	0	0	4,262,267,644
0	0	551,386,000	0	0	551,386,000
0	0	198,860,309	0	0	198,860,309
0	0	0	0	0	6,136,431
0	0	0	0	0	115,937
0	0	0	0	0	18,256,340
0	0	46,419,823	0	0	851,083,227
549,787,179	39,053,557	5,058,933,776	1,574,445,703	0	8,182,561,578
$ 2,784,727,756	$ 72,356,102	$ 5,767,102,239	$ 1,798,712,756	$ 44,580,000	$ 11,776,337,252

STATE OF OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Taxes	$ 2,498,487,341	$ 255,731,996	$ 12,163,318
Licenses, permits, and fees	51,051,064	21,191,380	0
Income from money and property	98,332,460	828,865	457,535
Federal funds	929,332,379	343,757,471	0
Other revenue	227,042,175	57,956,021	0
TOTAL REVENUES	3,804,245,419	679,465,733	12,620,853
EXPENDITURES:			
General government	113,316,419	4,602,890	0
Education	1,157,671,385	14,014	0
Transportation	0	473,842,380	0
Health and social services	1,524,698,482	49,672,243	0
Law, justice, and public safety	269,237,413	8,676,174	0
Recreation and natural resources	63,748,333	20,633,500	0
Regulatory services	48,637,479	116,603,410	0
Principal retirement	0	0	12,396,068
Other	0	0	8,290,696
TOTAL EXPENDITURES	3,177,309,511	674,044,611	20,686,764
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	626,935,908	5,421,122	(8,065,911)
OTHER FINANCING SOURCES (USES):			
Transfers in (including appropriations)	3,205,863,398	18,847,427	0
Transfers out	(3,682,421,476)	(13,430,352)	0
TOTAL OTHER FINANCING SOURCES (USES)	(476,558,078)	5,417,075	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	150,377,830	10,838,197	(8,065,911)
FUND BALANCE, JULY 1, 1988 (Note 2)	600,882,428	197,351,098	8,957,721
FUND BALANCE, JUNE 30, 1989	$ 751,260,258	$ 208,189,295	$ 891,810

FIDUCIARY FUND TYPE	
EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY - NOTE 2)
$ 192,014,000	$ 2,958,396,655
0	72,242,444
22,099,594	121,718,454
2,842,773	1,275,932,623
135,950,684	420,948,880
352,907,051	4,849,239,056
178,202,669	296,121,978
4,552,000	1,162,237,399
0	473,842,380
118,091,853	1,692,462,578
0	277,913,587
0	84,381,833
0	165,240,889
0	12,396,068
0	8,290,696
300,846,522	4,172,887,408
52,060,529	676,351,648
3,441,000	3,228,151,825
(1,536,000)	(3,697,387,828)
1,905,000	(469,236,003)
53,965,529	207,115,645
171,790,603	978,981,850
$ 225,756,132	$ 1,186,097,495

STATE OF OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS - NOTE 3)
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	GENERAL FUND		
	Budget	Actual	Variance
REVENUES:			
Taxes	$ 2,497,159,994	$ 2,498,514,343	1,354,349
Licenses, permits, and fees	50,954,007	51,027,320	73,313
Income from money and property	98,283,533	98,342,636	59,103
Federal funds	996,744,978	929,458,871	(67,286,107)
Other revenue	206,869,992	224,316,976	17,446,984
TOTAL REVENUES	3,850,012,504	3,801,660,146	(48,352,358)
EXPENDITURES:			
General government	120,445,356	113,429,835	7,015,521
Education	1,200,536,294	1,157,681,515	42,854,779
Transportation	0	0	0
Health and social services	1,582,688,929	1,531,495,764	51,193,165
Law, justice, and public safety	276,181,417	271,443,576	4,737,841
Recreation and natural resources	68,222,064	63,871,782	4,350,282
Regulatory services	51,703,529	48,960,143	2,743,386
TOTAL EXPENDITURES	3,299,777,589	3,186,882,615	112,894,974
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	550,234,915	614,777,531	64,542,616
OTHER FINANCING SOURCES (USES):			
Transfers in (including appropriations)	2,571,876,144	3,205,863,398	633,987,254
Transfers out	(3,072,490,582)	(3,682,421,476)	(609,930,894)
TOTAL OTHER FINANCING SOURCES (USES)	(500,614,438)	(476,558,078)	24,056,360
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	49,620,477	138,219,453	88,598,976
FUND BALANCE, JULY 1, 1988 (Note 2)	600,882,428	600,882,428	0
FUND BALANCE, JUNE 30, 1989	$ 650,502,905	$ 739,101,881	$ 88,598,976

SPECIAL REVENUE FUND		
Budget	Actual	Variance
$ 260,212,050	$ 250,339,866	$ (9,872,184)
22,567,786	20,810,986	(1,756,800)
330,280	684,865	354,585
462,598,100	417,058,811	(45,539,289)
49,241,897	53,090,540	3,848,643
794,950,113	741,985,068	(52,965,045)
7,554,632	4,602,890	2,951,742
18,000	14,014	3,986
671,247,686	473,604,756	197,642,930
45,939,912	38,544,199	7,395,713
4,891,989	6,829,758	(1,937,769)
17,922,611	20,586,051	(2,663,440)
101,605,793	114,874,981	(13,269,188)
849,180,623	659,056,649	190,123,974
(54,230,510)	82,928,419	137,158,929
10,223,739	18,847,427	8,623,688
0	(13,430,352)	(13,430,352)
10,223,739	5,417,075	(4,806,664)
(44,006,771)	88,345,494	132,352,265
197,351,098	197,351,098	0
$ 153,344,327	$ 285,696,592	$ 132,352,265

STATE OF OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING REVENUES:		
Charge for sales and services	$ 481,190,163	$ 24,002,375
Interest and investment income	82,881,749	148,263
Sale of investments	125,832,362	0
Licenses, fees and permits	0	75,270
Contributions	0	0
Rental income	0	13,981,834
Other revenues	3,756,016	1,441,081
TOTAL OPERATING REVENUES	693,660,290	39,648,823
OPERATING EXPENSES:		
Operation and maintenance of facilities	356,974,366	9,463,867
Unpaid losses and loss expense	100,477,908	0
Interest and debt expense	128,391,247	6,007,974
Administrative and general expense	101,896,340	7,029,030
Benefit payments	0	0
Refunds	0	0
Depreciation	40,384,317	710,429
Other expenses	12,854,080	22,179,241
TOTAL OPERATING EXPENSES	740,978,258	45,390,541
INCOME BEFORE OPERATING TRANSFERS	(47,317,968)	(5,741,718)
OPERATING TRANSFERS IN (OUT)	35,772,342	(2,909,860)
Costs to be Recovered from Future Revenues	28,188,997	0
NET INCOME (LOSS)	16,643,371	(8,651,578)
RETAINED EARNINGS, JULY 1, 1988	356,639,680	47,705,135
Prior Period Adjustment	(8,838,719)	0
RETAINED EARNINGS, JUNE 30, 1989	$ 364,444,332	$ 39,053,557

FIDUCIARY FUND TYPES		TOTAL
PENSION TRUST	NONEXPENDABLE TRUST	(MEMORANDUM ONLY - NOTE 2)
$ 0	$ 0	$ 505,192,538
344,074,991	66,853,000	493,958,003
21,473,007	2,247,000	149,552,369
0	0	75,270
457,918,537	0	457,918,537
0	7,658,000	21,639,834
33,611	117,000	5,347,708
823,500,146	76,875,000	1,633,684,259
0	0	366,438,233
0	0	100,477,908
0	0	134,399,221
4,823,311	0	113,748,681
431,507,656	50,461,000	481,968,656
22,258,377	0	22,258,377
0	0	41,094,746
36,300,000	0	71,333,321
494,889,344	50,461,000	1,331,719,143
328,610,802	26,414,000	301,965,116
0	(3,221,000)	29,641,482
0	0	28,188,997
328,610,802	23,193,000	359,795,595
3,933,656,842	547,717,000	4,885,718,657
0	0	(8,838,719)
$ 4,262,267,644	$ 570,910,000	$ 5,236,675,533

STATE OF OKLAHOMA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
NET CASH FLOWS FROM OPERATING ACTIVITES	$ 87,622,169	$ (5,152,056)
NET CASH FLOWS FROM INVESTING ACTIVITIES	9,409,476	1,013,144
NET CASH FLOWS FROM FINANCING ACTIVITIES	(93,767,361)	1,284,574
NET INCREASE (DECREASE) IN CASH	3,264,284	(2,854,338)
CASH BALANCE, JULY 1, 1988	131,158,468	19,182,482
CASH BALANCE, JUNE 30, 1989	$ 134,422,752	$ 16,328,144

FIDUCIARY FUND TYPE	
NONEXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY - NOTE 2)
$ 19,010,000	$ 101,480,113
(35,805,000)	(25,382,380)
0	(92,482,787)
(16,795,000)	(16,385,054)
20,398,000	170,738,950
$ 3,603,000	$ 154,353,896

STATE OF OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HIGHER EDUCATION FUND TYPE
FOR THE YEAR ENDED JUNE 30, 1989

REVENUE AND OTHER ADDITIONS:	
Tuition and fees	$ 123,485,670
Federal appropriations	9,494,474
State appropriations	411,218,747
Local appropriations	8,148,195
Federal grants and contracts	126,236,218
State and local grants and contracts	28,052,433
Private gifts, grants and contracts	29,919,052
Sales and services of educational activities	11,289,603
Sales & service of professional practice plans	54,872,938
Other sales, reimbursements, etc.	6,962,956
Auxiliary enterprises and student activities	161,656,148
Expended for plant facilities	54,541,425
Retirement of indebtedness	8,687,347
Tax revenue	1,594,577
Investment and interest income	6,776,283
Student aid	0
Reduction in allowance for doubtful accounts	91,613
State school funds:	
Net increase in equity interest	4,318,705
Distribution of earnings	7,043,535
Gain on sale of investments	0
Other sources	29,447,594
TOTAL REVENUES AND OTHER ADDITIONS	1,083,837,513
EXPENDITURES AND OTHER DEDUCTIONS:	
Education and general	746,308,133
Auxiliary enterprises and student activities	150,549,161
Professional practice plans and clinics	44,478,744
Expended for plant facilities	15,153,625
Indirect cost recoveries	9,085,163
Other sponsored programs	37,382
Cancellation of student loans	1,036,979
Administrative and collection costs	2,057,269
Interest on indebtedness	8,090,323
Bad debts and other	4,979,563
Renewals and replacements	0
Retirement of equipment	3,806,186
Retirement of indebtedness	7,413,357
Disposal of plant facilities	5,862,214
Depreciation and amortization	5,106,791
Other	5,611,161
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,009,576,051

EXCESS OF REVENUES & ADDITIONS OVER (UNDER) EXPENDITURES & DEDUCTIONS	$ 74,261,462
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):	
MANDATORY:	
Interfund transfers	(413,353)
Principal and interest	(472,699)
NONMANDATORY:	
Interfund transfers	2,010,079
Student aid	0
Matching funds for energy grant	0
Retirement of obligation - capital lease	(1,907,523)
Excess of restricted receipts over transfers to revenue	0
TOTAL TRANSFERS AMONG FUNDS	(783,496)
NET INCREASE (DECREASE) FOR THE YEAR	73,477,966
FUND BALANCE, JULY 1, 1988	1,497,390,199
Prior period adjustment	3,577,538
FUND BALANCE, JUNE 30, 1989	$ 1,574,445,703

NOTES TO THE FINANCIAL STATEMENTS

STATE OF OKLAHOMA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1989

1. Financial Statements and Description of Funds and Account Group

A. Financial Statements - The accompanying financial statements of the State of Oklahoma present the financial position of the various fund types and an account group, and the results of operations of the various fund types. The financial statements are presented as of June 30, 1989, and for the year then ended, except (1) the Special Indemnity Fund, which constitutes 9.5% of the assets and 1.3% of the revenues of the special revenue funds, is presented as of December 31, 1988, and for the year then ended; (2) the Oklahoma Turnpike Authority, which constitutes 15.5% of the assets and 26% of the revenues of the enterprise funds, is presented as of December 31, 1988, and for its fiscal year then ended; (3) the Grand River Dam Authority, which constitutes 43.6% of the assets and 24.8% of the revenues of the enterprise funds, is presented as of December 31, 1988, and for its fiscal year then ended; (4) the State Insurance Fund, which constitutes 11.5% of the assets and 16% of the revenues of the enterprise funds, is presented as of December 31, 1988, and for the year then ended; (5) the Oklahoma Municipal Power Authority, which constitutes 10.4% of the assets and 10.2% of the revenues of the enterprise funds, is presented as of December 31, 1988, and for the year then ended; (6) the Oklahoma Water Resources Board - State Loan Program Revenue Bonds, Series 1985, which constitutes 2.1% of the assets and .7% of the revenues of the enterprise funds, is presented as of May 31, 1989, and for the year then ended; (7) the Oklahoma Water Resources Board - State Loan Program Variable Rate Revenue Bonds, Series 1986A, which constitutes 1.9% of the assets and .6% of the revenues of the enterprise funds, is presented as of August 31, 1989, and for the year then ended; (8) the Oklahoma Employment Security Commission Unemployment Benefit Trust Fund, which constitutes 56.8% of the assets and 58.6% of the revenues of the expendable trust funds, is presented as of September 30, 1988, and for its fiscal year then ended.

The financial statements include the various agencies governed by boards, commissioners, the State Legislature and/or constitutional officers of the State of Oklahoma.

B. Fund Accounting - The financial activities are recorded in individual funds classified by type and described below, each of which is a separate fiscal and accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equity, revenues and expenditures or expenses. The funds and account group are grouped by type in the financial statements. Capital projects funds have been included in the fund type in which the controlling state agency is included; therefore, a capital projects fund type has not been presented. The types of funds and account group utilized by the State are as follows:

Governmental Fund Types

General Fund - Transactions related to resources used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in the general fund. These services include, among other things, general government, law, justice and public safety, health and social services, recreation and natural resources, regulatory services, and education (other than higher education institutions). Resources obtained from federal grants and used for activities accounted for in the general fund consistent with applicable legal requirements are recorded in the general fund.

1. Financial Statements and Description of Funds and Account Group (cont...)

B. Fund Accounting (cont...)

Governmental Fund Types (cont...)

Special Revenue Funds - Transactions related to resources, the uses of which are restricted to specific purposes, are accounted for in special revenue funds.

Debt Service Funds - Transactions related to resources used for the payment of interest and principal on general long-term debt obligations are accounted for in debt service funds.

Proprietary Fund Types

Enterprise Funds - These funds account for operations where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that the determination of net income is appropriate.

1. The Grand River Dam Authority controls the waters of the Grand River System to develop and generate water power and electric energy and to promote irrigation, conservation and development of natural resources.

2. The Oklahoma Turnpike Authority is authorized to construct, maintain, repair and operate Turnpike projects at locations authorized by the State Legislature and approved by the State Department of Transportation.

3. The State Insurance Fund provides workers' compensation insurance coverage for employers throughout the State.

4. The Oklahoma Industrial Finance Authority assists with the State's industrial development. The Authority makes loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. These loans are secured by first or second mortgages on real estate and equipment.

5. The Oklahoma Student Loan Authority was created as a public trust under applicable Oklahoma statutes during 1972 with the State of Oklahoma named as the beneficiary thereof. The purpose of the Authority is to provide loans to qualified students at participating institutions through the issuance of tax-exempt revenue bonds.

6. The Department of Tourism and Recreation - Five Original Lodges operates five resort hotels, all located in State parks.

7. The Department of Human Services - Oklahoma Medical Center consists of Oklahoma Memorial Hospital, Children's Hospital of Oklahoma, O'Donoghue Rehabilitation Institute, George Nigh Rehabilitation Institute, and an Administrative Staff Function which provides the other units with common general and administrative services. The Oklahoma Medical Center is affiliated with the University of Oklahoma Health Sciences Center whose medical school staff and residents provide patient care, in-service education and administrative duties within the hospitals. The Center is under the jurisdiction, supervision, management and control of the Department of Human Services.

1. Financial Statements and Description of Funds and Account Group (cont...)

B. Fund Accounting (cont...)

Proprietary Fund Types (cont...)

Enterprise Funds (cont...)

8. The Oklahoma Municipal Power Authority was created to provide a means for the municipal electric systems in Oklahoma to jointly plan, finance, acquire and operate electrical power supply facilities necessary to meet the electrical energy requirements of their consumers. The Authority also sells electric power to its member municipalities.

9. The Oklahoma Water Resources Board provides monies to implement a state-wide loan program to local entities to provide for the acquisition, development, and utilization of storage and control facilities for water and sewage systems. These monies are provided by the issuance of revenue bonds.

Internal Service Funds - The internal service funds account for the financing of goods or services provided by one department to other departments of the governmental unit or to other governmental units on a cost-reimbursement basis.

1. The Oklahoma Capitol Improvement Authority is authorized to acquire land and to construct, maintain and operate buildings for the use of State and/or Federal agencies and departments at any place or location within the State of Oklahoma.

2. The Oklahoma State Industries and Institutional Farms, a division of the Department of Corrections, utilizes inmate labor from State correctional institutions to manufacture license plates, furniture and other products for state, county and municipal institutions. Food crops are grown and animals are raised for sale and use within the system.

3. The Office of Public Affairs has the following support and service responsibilities for all state agencies: (1) Central Purchasing, (2) Engineering and Architectural, (3) Motor Pool, (4) Central Printing, (5) Management of Inventory and Property and (6) Central Information Office for State Lands (mineral and surface leases, easements, right-of-way and sales for Capitol Complex and eleemosynary lands).

4. The Office of State Finance operates the Centrex telephone system which provides service to State offices located in the Capitol Complex.

5. The Department of Transportation accounts for the financing of equipment purchased by the Department for county government.

Other Fund Types and Account Group

Fiduciary Fund Types - Fiduciary fund types account for transactions related to assets held by the State in a trustee or agency capacity. Fiduciary fund types are comprised of:

1. The expendable trust funds which reflect the financial position and operations of (a) the Oklahoma State and Education Employees Group Insurance Board, a self-insured system that provides health, life and disability insurance coverage for State employees, their families, and the employees and families of political subdivisions; (b) the expendable trust portion of the Commissioners of the Land Office, State of Oklahoma, which receives lease rentals from the nonexpendable trust fund to pay the administrative costs of the nonexpendable trust and various conservation projects; and (c) the expendable trust portion of the Oklahoma Employment Security Commission which administers the trust assets, accounts for the collection of unemployment contributions and makes payments of unemployment compensation benefits.

1. Financial Statements and Description of Funds and Account Group (cont...)

B. Fund Accounting (cont...)

Other Fund Types and Account Group (cont...)

Fiduciary Fund Types (cont...)

2. The nonexpendable trust fund which reflects the financial position and operations of the nonexpendable trust portion of the Commissioners of the Land Office, State of Oklahoma. The Commissioners of the Land Office are authorized by the Constitution of the State of Oklahoma to manage assets granted to the State by the United States Government for the use and benefit of the school children of Oklahoma and other beneficiaries.

3. The pension trust funds which reflect the financial position and operations of the six State - administered retirement systems. These include the Teachers' Retirement System of Oklahoma, Oklahoma Public Employees Retirement System, Oklahoma Firefighters Pension and Retirement System, Oklahoma Police Pension and Retirement System, Oklahoma Law Enforcement Retirement System, and the Uniform Retirement System for Justices and Judges.

4. Agency funds which account for the receipt and disbursement of various monies collected by the State for distribution to its political subdivisions and funds held in custody for others.

Higher Education Fund Type - Transactions related to the financial activities of State higher education institutions are accounted for in the higher education fund type. The combined financial statements include:

1. Major Universities

- University of Oklahoma (Norman Campus, Law Center and Geological Survey).
- University of Oklahoma Health Sciences Center.
- Oklahoma State University (Stillwater Campus, School of Technical Training at Okmulgee, the College of Veterinary Medicine, the Oklahoma City Technical Institute, the Agricultural Experiment Station, the Agricultural Extension Division and the Oklahoma College of Osteopathic Medicine and Surgery.)

2. Other Universities

- Central State University
- East Central Oklahoma State University
- Northeastern Oklahoma State University
- Northwestern Oklahoma State University
- Southwestern Oklahoma State University
- Cameron University
- Langston University
- Oklahoma Panhandle State University
- University of Science and Arts of Oklahoma
- Southeastern Oklahoma State University

1. Financial Statements and Description of Funds and Account Group (cont...)

B. Fund Accounting (cont...)

Higher Education Fund Type (cont...)

3. Other Colleges

- Carl Albert Junior College
- Rogers State College
- Connors State College of Agriculture and Applied Sciences
- Eastern Oklahoma State College
- El Reno Junior College
- Murray State College
- Northeastern Oklahoma Agricultural and Mechanical College
- Seminole Junior College
- Oklahoma City Community College
- Tulsa Junior College
- Western Oklahoma State College
- Rose State College
- Northern Oklahoma College

Long-term Debt Account Group - Unmatured long-term general obligation bonds payable are reflected in the long-term debt account group.

2. Summary of Significant Accounting Policies

A. All Funds

Basis of Presentation - The accompanying financial statements have been prepared in conformance with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants, Governmental Accounting Standards Board, and by the National Association of College and University Business Officers, except as otherwise noted.

Retirement Costs - Substantially all State employees, teachers and employees of political subdivisions participate in one of the various State retirement systems as described in Note 11. Contributions to the various retirement systems are generally designed to fund current service costs annually, prior service cost over a forty-year period and increased costs resulting from legislative plan amendments for retired employees over a ten year period.

Intrafund and Interfund Transactions - Transfers of revenues from funds authorized to receive and expend such transfers have been recorded as other financing sources (uses) in the financial statements.

Beginning Fund Balance - All prior period adjustments and reclassifications between fund types are reflected in beginning fund balance.

Total (Memorandum Only) Column - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Summary of Significant Accounting Policies (cont...)

B. Governmental Fund Types, Expendable Trust and Agency Funds

Basis of Accounting - The accounts of the general, special revenue, debt service, expendable trust and agency funds are reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and assets are recognized when measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods and services. Modifications to the accrual basis of accounting include:

- Self-assessed taxes, principally income taxes, sales taxes and fuel taxes, are recognized when reported to the collecting agency.
- Obligations for employees' vested annual leave and sick leave are recorded as expenditures when paid. A provision for employee vested annual leave could not be estimated and therefore, no provision has been made in the Long-term Debt Account Group.
- Interest on general long-term obligations reflected in the long-term debt account group is recognized in the debt service fund when paid.
- Executory purchase orders and contracts are recorded as a reservation of fund balance.

Cash on Deposit with U.S. Treasury - The Oklahoma Employment Security Commission Trust Fund is maintained to account for the collection of unemployment contributions from employers and the payment of unemployment benefits to eligible claimants. As required by law, all funds not necessary for current benefit payments are placed on deposit with the U.S. Treasury. Interest from these funds is retained in the fund.

Investments - Investments are generally stated at cost, which approximates market.

Capital Expenditures - Capital outlays are expensed when the assets are purchased.

Accounts Payable - Accounts payable for the Medical Assistance program are estimated based on figures generated by the Medical Assistance claims processing unit and assumptions based on historical data of processed claims.

Intra Agency Payments - Medical Assistance

Services provided to some patients in the Department of Human Services' (the Department) institutions for the mentally retarded (Pauls Valley State School, Enid State School and Hissom Memorial Center) are covered under provisions of Title XIX (Medical Assistance) of the Social Security Act. The Department pays these facilities for covered services periodically throughout the year on a per diem basis.

Revenues of approximately $68,090,193 were generated to these facilities from the Title XIX Medical Assistance Program.

The Budgetary Process - Expenditures of the general fund and substantially all of the special revenue funds are regulated by a state budgetary process. The executive branch prepares proposed appropriation bills and budgets based on budget requests prepared by the various State agencies. The total budgeted expenditures are limited by the amount available for appropriation as certified by the State Board of Equalization. These appropriation bills are made legal by Legislative adoption after review and possible amendment by Legislative committee.

2. Summary of Significant Accounting Policies (cont...)

B. Governmental Fund Types, Expendable Trust and Agency Funds

The Budgetary Process (cont...)

Statutes limit the total amount that may be transferred to or from any line item of appropriation, allotment, or work program account to a maximum of ten percent (10%), unless approved by a contingency review board to a maximum of 25%.

Expenditures may not legally exceed appropriations, or cash on hand, whichever is less.

Encumbrances - The budgetary process is regulated through the encumbrance method of accounting which records purchase orders and contracts as a reservation of fund balance.

Fiscal appropriations which are unencumbered at year end and encumbered funds which have not been expended by November 15 of the year following the fiscal year of issuance lapse into their source fund. Non-fiscal appropriations which are unexpended thirty (30) months after issuance lapse into their source fund.

C. Enterprise Funds, Internal Service Funds, and Nonexpendable and Pension Trust Funds

Basis of Accounting - The accounts of the enterprise funds, internal service funds, and nonexpendable and pension trust funds are reported on the accrual basis of accounting.

Investments - For enterprise, internal service, and nonexpendable trust funds, investments are generally recorded at cost adjusted for premiums and discounts. Cost approximates market for enterprise funds. Investments are generally recorded at fair market value for pension trust funds.

Property, Plant and Equipment - Significant property, plant and equipment are stated at cost. With respect to the Oklahoma Turnpike Authority, preliminary, financial and certain administrative costs incurred during the period of development and construction are included in the amount of $331,585,205. Property, plant and equipment of the Grand River Dam Authority of $678,346,669 includes direct material, direct labor and indirect costs such as engineering, supervision, transportation, insurance and interest capitalized during construction.

Depreciation of the cost of property, plant and equipment of the Grand River Dam Authority is provided by the straight-line method over the estimated useful lives using percentages ranging from 1.15% to 10%. The cost of maintenance and repairs to property is expensed.

For the Oklahoma Turnpike Authority, interest earned on the investments of the regular construction accounts is credited to the costs of the turnpike facilities and interest earned on the investments of the special construction account is credited to the fund balance. The cost of assets sold or retired is not removed from the cost of turnpike facilities; any proceeds are credited to the construction fund or the reserve maintenance fund as the Authority may direct. The cost of certain concession buildings and improvements has been charged to expense and not capitalized as costs of turnpike facilities. No accumulated depreciation is deducted from the capitalized cost of turnpike facilities. Purchases of equipment are expensed and not capitalized as costs of turnpike facilities. Certain leasing costs have been capitalized as a cost of facilities, while others are charged to expense by the revenue fund. Payments under a lease-purchase agreement on certain toll-collection equipment are charged to expense by the revenue fund over the term of the lease.

For the Oklahoma Municipal Power Authority, utility plant is recorded at cost including capitalized net interest cost of borrowed funds. Capitalized net interest cost of borrowed funds includes amortization of

2. Summary of Significant Accounting Policies (cont...)

C. Enterprise Funds, Internal Service Funds, and Nonexpendable and Pension Trust Funds

Property, Plant and Equipment (cont...)

bond discounts and bond premiums, interest expense and interest income. Utility plant includes furniture, fixtures and equipment which are stated at cost.

Depreciation of generating facilities in which the Oklahoma Municipal Power Authority holds an undivided ownership interest is computed by the straight-line method over the expected service life using a composite annual rate. Depreciation of furniture, fixtures and equipment is calculated on a straight-line basis using the estimated useful lives of the depreciable property. The cost of maintenance, repairs and replacements of minor items of property is charged to maintenance expense. The cost of replacements of property is charged to utility plant accounts.

Depreciation of the cost of property, plant and equipment of the Oklahoma Capitol Improvement Authority is provided on the straight-line basis over estimated useful lives of 50 years. The cost of maintenance and repairs is expensed as incurred.

Inventories - Inventories are recorded at the lower of cost, average cost, or market.

D. Higher Education Funds

Basis of Accounting - The accounts of the higher education institutions are maintained and reported on the accrual basis of accounting.

To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of moveable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt service and equipment renewals and replacements; and (3) as transfers of a non-mandatory nature for all other cases.

Fund Accounting - The financial activities of the higher education institutions are recorded in funds which classify the various transactions by specified activities or objectives.

Unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, endowment income and other restricted resources are accounted for in restricted current funds, loan funds, endowment and plant funds. Revenues and expenditures are reported in restricted current funds when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the educational institutions are accounted for in loan funds. Resources dedicated to the acquisition of and investment in property, plant and equipment are accounted for in the plant funds.

Investments - Investments are recorded at cost, adjusted for amortization of premiums and discounts, or fair market value at the date of gift. Cost approximates market.

Student Revenues - Student tuition and fees are fully recognized in the fiscal year in which the related courses or activities are principally conducted. Student tuition and fees applicable to future courses and activities collected as of the end of the fiscal year are recorded as deferred revenue.

Accounts and Notes Receivable - An allowance for uncollectible receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on collection experience and a review of the status of existing receivables.

2. Summary of Significant Accounting Policies (cont...)

D. Higher Education Funds (cont...)

Inventories - Inventories are stated at the lower of cost or market, cost being determined on either the first-in, first-out, or average cost basis.

Plant - Property, plant and equipment is stated principally at cost at date of acquisition or fair market value at the date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets, except for those of the Oklahoma Health Sciences Center. Depreciation for 1989 in the amount of $4,356,754, which is charged to expenditures, is computed on the straight-line method over the estimated useful lives of the assets.

3. Comparison of Budget and Actual

The Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and Special Revenue Fund presents comparison of the legally adopted budget with actual data presented on a budgetary basis. Under the budgetary basis, revenues and expenditures are matched with the fiscal year for which such amounts were included in the budget process.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balance is presented on the modified accrual basis of accounting (as described in Note 2). All differences in the amounts shown on these two statements are due to the different basis of presentation.

4. Cash and Deposits with Treasury

The State uses a pooled cash concept in maintaining its bank accounts. All cash is pooled for operating and investment purposes and each fund has an equity in the pooled amount. For reporting purposes, cash and related time deposits have been allocated to each fund based on its equity in the pooled amount. Interest earned on investments is allocated to the general fund except for those investments made specifically for the special revenue fund, debt service fund, proprietary fund type, fiduciary fund type, and higher education fund type for which investment income is allocated to the investing fund.

5. Investments

Investments may be restricted by law or legal instruments. They may be under control of the State Treasurer or controlled by other administrative bodies as determined by law.

6. Restricted Assets

Enterprise Funds

Grand River Dam Authority - The Grand River Dam Authority has restricted assets in the amount of $304,906,404 to pay construction costs of various projects and to meet principal and interest requirements of bonds payable.

Department of Human Services - Oklahoma Medical Center - The Department of Human Services - Oklahoma Medical Center has cash of $149,879 and other assets of $87,189 in its donor restricted fund. The Center also has cash of $5,829,047, the use of which is limited to capital improvements.

Oklahoma Student Loan Authority - The Oklahoma Student Loan Authority has restricted cash, investments and notes receivable of $139,287,341, which serve as collateral for the indebtedness of the State Loan Program.

6. Restricted Assets (cont...)

Enterprise Funds (cont...)

Oklahoma Municipal Power Authority - The Oklahoma Municipal Power Authority has restricted assets of $76,481,646 to pay for construction, operations and maintenance, bond principal and interest, major renewals and replacements, extraordinary operations and maintenance costs, and contingencies, and to minimize future rate increases.

Oklahoma Water Resources Board - State Loan Program Revenue Bonds, Series 1985 - The Oklahoma Water Resources Board (Revenue Bond Series 1985) has restricted investments of $7,500,000 to cover defaults on bond principal and interest.

Oklahoma Water Resources Board - State Loan Program Variable Rate Revenue Bonds, Series 1986A - The Oklahoma Water Resources Board (Revenue Bond Series 1986A) has restricted investments of $6,247,500 for debt service.

Oklahoma Industrial Finance Authority - The Oklahoma Industrial Finance Authority has restricted assets of $11,377,057 to pay for bond principal and interest.

Internal Service Funds

Oklahoma Capitol Improvement Authority - The Oklahoma Capitol Improvement Authority has restricted assets in the amount of $1,753,266 for the bond sinking fund.

7. Property, Plant and Equipment

Property, plant and equipment amounts have been presented only for Proprietary Fund Types (Enterprise and Internal Service Funds), Fiduciary Fund Types, and Higher Education. A summary of those amounts (in thousands) as of June 30, 1989 are as follows:

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Higher Education
Land	$ 19,110	$ 3,559	$ 969	$ 37,365
Land improvements	280,152	-	-	-
Utility plants	928,672	-	-	-
Nonstructural improvements	-	-	-	57,396
Buildings and improvements	171,195	36,645	-	854,552
Machinery and equipment	76,106	-	626	351,236
Construction in progress	59,403	-	-	8,717
Other	63,462	-	-	61,843
Total	1,598,100	40,204	1,595	1,371,109
Less: Interim investment income	26,930	-	-	-
Accumulated Depreciation	274,049	11,094	54	42,612
Net Property, Plant & Equipment	$ 1,297,121	$ 29,110	$ 1,541	$ 1,328,497

8. Advances From Motor Fuel Tax Trust Fund

By virtue of the "Enabling Act" of 1971, the Oklahoma Turnpike Authority receives from the Oklahoma Tax Commission a portion of the motor fuel excise taxes it collects on fuels consumed on the turnpikes not to exceed $3,000,000 during a fiscal year. The amount received and available may not exceed the expected interest payment for the forthcoming three years. Amounts held in excess of the expected interest payments are remitted to the Oklahoma Department of Transportation (DOT). During 1988, the Authority remitted $4,073,591 to DOT.

The funds apportioned are held by the Authority in a separate Motor Fuel Tax Trust Fund and are used to eliminate deficiencies in available monies to meet revenue bond interest and principal requirements. When all Turnpike Revenue Bonds, together with interest thereon, have been paid, the Authority will be required to pay all amounts that have been received from the Tax Commission and any interest earned on amounts invested to DOT.

The Trust Agreements securing the H.E. Bailey Turnpike and Section A of the Indian Nation Turnpike Revenue Bonds, which were redeemed in 1966, provided that advances from the Motor Fuel Tax Trust Fund could be used for certain purposes in addition to making up deficiencies in money available to meet revenue bond interest and principal requirements. Upon the redemption of those revenue bonds, the liability for the advances to the H.E. Bailey Turnpike ($5,547,439) and Section A of the Indian Nation Turnpike ($49,634) was assumed by the Oklahoma Turnpike System Construction Fund.

9. General Obligation Bonds

A. General obligation bonds, administered by the Oklahoma State Treasurer, are authorized and issued primarily to provide funds for state owned capital improvements, including office buildings for state agencies. Two-thirds of the cigarette taxes collected by the State are pledged under these bond issues. General obligation bonds are backed by the full faith and credit of the State, including the State's power to levy additional taxes to ensure repayment of the bonds.

General obligation bonds outstanding (bonds that have matured, but have not been redeemed are included) as of June 30, 1989, are as follows (all amounts are rounded and expressed in thousands):

Description	Interest Rates	Amount
Building Bonds of 1965:		
Series A	3.20% to 5.75%	$ 2,300
Series B	3.70% to 5.70%	2,000
Series C	3.75% to 4.50%	2,600
Series D	3.00% to 3.92%	5,555
Building Bonds of 1968:		
Series C	3.90% to 4.45%	1,090
Series D	4.82% to 8.90%	5,875
Refunding Bonds of 1977:		
Series R	4.625%	25,160
Total		$ 44,580

9. General Obligation Bonds (cont...)

As of June 30, 1989, the amounts to be provided for general obligation debt service requirement for principal and interest (amounts rounded and expressed in thousands) in future years are as follows:

Years Ending June 30.	Principal	Interest	Total
1990	10,105	1,841	11,946
1991	11,790	1,387	13,177
1992	6,730	925	7,655
1993	4,510	626	5,136
1994-1996	9,705	741	10,446
Total	$ 42,840	$ 5,520	$ 48,360

The following is a summary of the State's general obligation bond transactions (amounts rounded and expressed in thousands) for the fiscal year ended June 30, 1989.

	Principal
Bonds payable at July 1, 1988	$ 54,410
Bonds retired	9,830
Bonds payable at June 30, 1989	$ 44,580

On July 15, 1977, the Oklahoma Building Bonds Commission issued State of Oklahoma General Obligation Refunding Bonds of 1977 (Refunding Bonds) to refund the State of Oklahoma Institutional Building Bonds of 1968, Series A, B and E (Refunded Bonds) totalling approximately $76,000,000. The net proceeds of the Refunding Bonds were used to acquire direct obligations of the U.S. Government and to establish an escrow account. The principal and interest on the U.S. Government obligations accumulated in the escrow account should provide enough money to pay the redemption prices of the Refunded Bonds called prior to maturity, the principal of the Refund Bonds becoming due at maturity and the interest due on the Refunded Bonds on their redemption or maturity dates. As a result of this transaction, the Refunded Bonds, (Series A, B and E of the State of Oklahoma Institutional Building Bonds of 1968) are considered to be retired.

On January 15, 1966, the Oklahoma Building Bonds Commission issued State of Oklahoma Building Bonds of 1965 (Medical Center Bonds). The proceeds of this issuance, totalling $7,000,000, were used to provide capital improvements at the University of Oklahoma Medical Center. Since the State Treasurer purchased the entire issue, these bonds are considered to be retired, and accordingly, are no longer reported as long-term debt in the financial statements. At June 30, 1989, the Medical Center Bonds outstanding totalled $700,000. No interest is paid on these bonds.

B. Oklahoma Industrial Finance Authority general obligation bonds are authorized and issued for the funding of industrial finance loans to encourage business development within the State. All revenues arising from the net proceeds from repayment of industrial finance loans and interest received thereon are pledged under these bond issues. In addition, these general obligation bonds are backed by the full faith and credit of the State. The general obligation bonds outstanding (amounts rounded and expressed in thousands) as of June 30, 1989, are as follows:

9. **General Obligation Bonds (cont...)**

Description	Interest Rates	Amount
Industrial Finance Bonds:		
Series A	3.625%	$ 2,000
Series B	3.450%	2,000
Series C	3.375%	3,000
Series D	4.800%	3,000
Series E	4.600%	5,000
Series G	6.500%	1,000
Series H	6.125%	1,000
Series J	6.125%	670
Series K	8.875%	5,000
Series L	* Variable 8.400%	7,600
Series M	* Variable 9.375%	2,400
Series N	* Variable 9.375%	10,000
Series O	7.800%	10,000
Industrial Park Finance Bonds:		
Series F Refunding	4.375% to 5.00%	1,075
Series I	6.125%	1,000
Total		$ 54,745

* These rates are variable and are established periodically, based on comparable rates for similar transactions on the open market. The rates listed above are as of June 30, 1989.

As of June 30, 1989, general obligation debt service requirements for principal and interest (amounts rounded and expressed in thousands) in future years are as follows:

Years Ending June 30,	Principal	Interest	Total
1990	$ 85	$ 3,709	$ 3,794
1991	2,085	3,635	5,720
1992	85	3,631	3,716
1993	85	3,631	3,716
1994-2018	52,405	60,995	113,400
Total	$ 54,745	$ 75,601	$ 130,346

10. Revenue Bonds

A. Enterprise Funds

Grand River Dam Authority

Bonds payable at December 31, 1988 are as follows:

Revenue Bonds, 1987 Refunding Series:	
4.5% to 6.8% maturing serially from 1989 to 2003	$ 457,065,000
7% maturing in 2006 with annual sinking fund requirements beginning in 2004	162,740,000
7% maturing in 2010 with annual sinking fund requirements beginning in 2007	275,320,000
6% maturing in 2011	81,285,000
5% maturing in 2012	86,160,000
6.25% maturing in 2013	90,470,000
Total	$ 1,153,040,000
Special Revenue Bonds, 1985A to 1985N Series 4.75% to 6.5% and 4.25% to 6.625% maturing in 1988	300,000
Total	1,153,340,000
Less - current portion	10,300,000
Long - term portion	$ 1,143,040,000

In March 1987, Revenue Bonds, Refunding Series 1987 (the "1987 Bonds") of $1,543,040,000 were issued to provide a portion of the funds necessary to advance refund $1,009,616,500 of previously-issued Revenue Bonds and Refunding Revenue Bonds, Series 1978, 1982, 1983A, 1983B, 1983C, 1984 and 1985, which constitute all of the Authority's outstanding indebtedness issued under General Resolution No. 4545. The 1987 Bonds were issued under the provisions of General Bond Resolution No. 4800 and pursuant to the provisions of Supplemental Resolution No. 4801 adopted by the Board of Directors on March 6, 1987. The 1987 Bonds have an average interest rate of 6.995% and were issued to provide for essentially level debt service payments over the life of the issue and to provide debt service savings. The refunding will allow the Authority to phase in rate increases associated with commercial operation of Unit No. 2.

The advance refunding resulted in an accounting loss of $110.9 million and an increase in aggregate debt service payments of $207.2 million over the next 26 years. The Authority obtained an economic gain from the refunding (difference between the present values of the old and new debt service payments) of $32.2 million.

A portion of the proceeds of the 1987 Bonds, together with other monies available to the Authority for such purposes, was applied to the purchase of U.S. Government and U.S. Government Agency securities. The securities, which were placed in an irrevocable trust, and the interest earned thereon, will be used to pay, when due, the principal, interest and redemption premium, if any, on the defeased bonds.

10. Revenue Bonds (cont...)

A. Enterprise Funds (cont...)

Grand River Dam Authority (cont...)

The proceeds from the sale of the 1987 Bonds and other available monies were applied as follows:

Source of Funds:	
Principal amount of the 1987 Bonds	$ 1,153,040,000
Available monies of the Authority	108,656,063
Total	$ 1,261,696,063
Applications of Funds:	
Purchase of defeasance obligations and cash deposits	1,104,569,912
Deposit to bond service reserve account	96,125,740
Costs of issuance and underwriting discount	12,162,815
Original issuance discount	46,976,157
Bond insurance premium	1,861,439
Total	$ 1,261,696,063

The Special Revenue Bonds, 1985A to 1985N Series, were issued pursuant to the provisions of the Special Bond Resolution No. 4711 adopted by the Board of Directors on December 18, 1985. The bonds were issued to finance the estimated cost of the 1985 system improvements project and were issued in a Bi-Modal Multi-Term Format wherein the bonds of a particular series are in one of three modes. The 1985 Special Revenue Bonds were issued in Mode 1 and will bear interest at fixed rates, until their respective tender dates.

Approximately $128,000,000 of the proceeds from the sale of the 1985 Special Revenue Bonds was placed in an escrow fund which is required to maintain a balance sufficient to pay, when due, the purchase price of and the interest on all 1985 Special Revenue Bonds in Mode 1. While the payment of the purchase price and the interest on the 1985 Special Revenue Bonds is fully secured by a pledge of and first lien on the escrow fund, such bonds are Mode 1 Bonds. The Mode 1 Bonds are further secured by a pledge of and subordinate lien on the revenues of the Authority's electric power and energy system and by other available funds. On each tender date, the 1985 Bonds subject to mandatory tender for purchase will either be converted to Mode A Bonds or be remarketed as Mode 1 Bonds. In 1988, the Authority retired the 1985 Bonds at the scheduled tender dates with the funds held in escrow. At December 31, 1988 $300,000 of the 1985 Bonds had not been surrendered for payment.

Monies placed in escrow for the payment of principal and interest on all the bonds which have been defeased have been deposited in irrevocable trusts with recourse against the trustee if funds are not available to pay principal and interest on a timely basis. Since the revenue bonds which have been defeased are no longer direct liabilities of the Authority, they are not reflected on the accompanying balance sheets.

Defeased bonds of approximately $1,016,000,000 were outstanding at December 31, 1988. At December 31, 1988, the defeased bonds are the 1985 and 1984 Refunding Series, the 1983A, 1983B, 1983C, 1982 and 1978 Series, the 1977 Refunding Series, and the 1976, 1969, 1966 and 1961 Series.

10. Revenue Bonds (cont...)

A. Enterprise Funds (cont...)

Grand River Dam Authority (cont...)

The scheduled maturities (including sinking fund requirements) of bonds payable for the following five years are as follows:

	1989	1990	1991	1992	1993
1987 Series	$ 10,000,000	$ 17,950,834	$ 24,318,333	$ 25,568,333	$ 26,950,000
1985A to 1985N Series	300,000	-	-	-	-
Total	$ 10,300,000	$ 17,950,834	$ 24,318,333	$ 25,568,333	$ 26,950,000

Oklahoma Turnpike Authority

As of December 31, 1988, the Authority's obligation for the System's Revenue Bonds outstanding was $160,075,000. This debt relates to the 1966 Series A (4.7%), Series B (5%) and the 1971 Series C (6% and 6.25%) Revenue Bonds. These bonds provided for the construction of the Muskogee Turnpike, Section B of the Indian Nation Turnpike, the Authority's administration building and the Cimarron Turnpike, and the redemption of the Turner, H.E. Bailey and Section A of the Indian Nation Turnpike Revenue Bonds.

Series A and Series B with an aggregate par value of $4,895,000 were purchased by the Authority during 1988 at a cost of $4,210,097 which includes applicable discount. Series C Bonds with an aggregate par value of $1,945,000 were also purchased by the Authority during 1988 at a cost of $1,905,158 which includes applicable discount.

In February 1989, the Authority issued $385,400,000 of First Senior Revenue Bonds and $173,000,000 of Subordinate Revenue Bonds with interest rates ranging from 6.0% to 7.875% and 6.9% to 7.7%, respectively. These series 1989 Bonds were issued (a) to advance refund all of the outstanding Authority bonds from the 1966 and 1971 issues; (b) to provide for the payment of the cost to construct the Series 1989 Bonds Project (four new turnpike projects and to make improvements to the existing Oklahoma Turnpike System); (c) to pay a portion of the interest on the Series 1989 Bonds during construction; (d) to make a deposit to the First Senior Bond Reserve Account and the Subordinated Bond Reserve Account (sinking funds); and (e) to pay costs of issuance.

All outstanding Authority Bonds from the 1966 and 1971 issues were defeased through the escrow deposit of approximately $131,700,000 with First Interstate Bank of Oklahoma, N.A. and the First National Bank and Trust Company of Tulsa. The principal amount of the bonds defeased was $158,505,000. The amount defeased is less than the total bonds outstanding at December 31, 1988 due to redemptions of $1,570,000 subsequent to year-end.

The 1989 Series Bonds were issued pursuant to provisions of a Trust Agreement dated February 1, 1989. The Liberty National Bank and Trust Company of Oklahoma City is the Trustee. Interest is payable semiannually on January 1 and July 1 of each year, commencing July 1, 1989. The revenue bond amortization requirements at closing of the bond issuance are as follows:

10. Revenue Bonds (cont...)

A. Enterprise Funds (cont...)

Oklahoma Turnpike Authority cont...)

Year ending January 1.	First Senior Revenue Bonds Principal	First Senior Revenue Bonds Interest	Subordinate Bonds Principal	Subordinate Bonds Interest	Total
1990	$ -	$ 26,569,823	$ -	$ 12,086,219	$ 38,656,042
1991	-	28,985,262	-	13,184,966	42,170,228
1992	-	28,985,262	-	13,184,966	42,170,228
1993	-	28,985,262	-	13,184,966	42,170,228
1994	-	28,985,262	-	13,184,966	42,170,228
1995-1999	25,270,000	141,581,435	11,450,000	64,431,450	242,732,885
2000-2004	36,005,000	130,848,379	16,240,000	59,652,457	242,745,836
2005-2009	51,975,000	114,873,961	23,335,000	52,559,791	242,743,752
2010-2014	75,285,000	91,561,048	33,740,000	42,149,030	242,735,078
2015-2019	109,035,000	57,815,172	48,900,000	26,997,740	242,747,912
2020-2022	87,830,000	12,292,405	39,335,000	6,208,510	145,665,915
Total	$ 385,400,000	$ 691,483,271	$ 173,000,000	$ 316,825,061	$ 1,566,708,332

Student Loan Authority

The Authority has at various times issued bonds for the purpose of funding student loans. The bonds issued prior to 1983 were issued as term bonds as shown in the table which follows. The 1983 Series was issued as serial bonds, with principal payments due on each February 1 and August 1 from 1984 to 1993. Each bond series is callable at the option of the Authority in whole, or in part by lot, on any interest payment date. Upon the issuance of the Series 1983 Bonds, an agreement was entered into with the Student Loan Marketing Association (SLMA) whereby SLMA agreed to purchase student loans from the Authority near the maturity date of the bonds at the option of the Authority. The proceeds are to be used to redeem the bonds.

The bonds are secured by the specific assets of each bond series. The Authority, after bonds in specific series have been liquidated, may utilize any remaining assets as security for any remaining debt outstanding. In addition, the Series 1983 bonds are secured by the revenues and recoveries of principal in excess of expenses of the Federal Insured Student Loan (FISL) Program. Bond issues related to the FISL Program have been redeemed.

The Bond Resolutions of Bond Series 1980 and Prior provide that the Authority will maintain not less than a 1% differential between the net interest cost on the bonds and the interest rate received on the student loans, not including special allowance payments. For the years ended June 30, 1989 and 1988, the student loan interest rates of 7%, 8% and 9% exceeded the net interest cost of the bonds by more than 1% on the Series 1980 and Prior. Additionally, the Authority is in compliance with all other significant bond covenants.

10. **Revenue Bonds (cont...)**

A. **Enterprise Funds (cont...)**

Student Loan Authority (cont...)

Bonds payable at June 30, 1989 consist of the following:

5.25% Series 1978, due August 1, 1993	$ 2,500,000
5.40% Series 1979, due August 1, 1994	10,000,000
6.85% Series 1980, due August 1, 1995	5,000,000
6.00% - 9.25% Series 1983, due serially through August 1, 1993	17,700,000
Total	$ 35,200,000

Fiscal year debt service requirements to maturity are as follows:

	Principal	Interest	Total
1990	$ 2,230,000	$ 2,561,238	$ 4,791,238
1991	2,100,000	2,372,963	4,472,963
1992	1,850,000	2,197,888	4,047,888
1993	2,175,000	2,039,750	4,214,750
1994	11,845,000	1,380,331	13,225,331
1995	10,000,000	612,500	10,612,500
1996	5,000,000	171,250	5,171,250
Total	$ 35,200,000	$ 11,335,920	$ 46,535,920

On October 1, 1987, student notes receivable of the Bond Series 1982 approximating $6,300,000 were purchased by the sinking fund of the Bonds Series 1976 through 1980 as an investment. The Authority utilized the proceeds of the sale, with existing investments of the Bond Series 1982, to retire bonds in the amount of $12,000,000, and all accrued interest, maturing October 1987.

Oklahoma Water Resources Board

The Oklahoma Water Resources Board has issued Revenue Bonds to provide monies to implement a state-wide loan program to local entities to provide for the acquisition, development and utilization of storage and control facilities for water and sewage system. The Series 1985 bonds payable at May 31, 1989 and the Series 1986A bonds payable at August 31, 1989 are as follows:

10. **Revenue Bonds (cont...)**

A. **Enterprise Funds (cont...)**

Oklahoma Water Resources Board (cont...)

Series 1985

	May 31, 1989
$3,120,000 serial bonds due in annual installments of $480,000 to $790,000 through December 1, 1990; interest at 15%	$ 1,485,000
$890,000 serial bonds due in 1991, interest at 9.125%	890,000
$995,000 serial bonds due in 1992, interest at 7.25%	995,000
$1,120,000 serial bonds due in 1993, interest at 7.50%	1,120,000
$1,235,000 serial bonds due in 1994, interest at 7.75%	1,235,000
$1,335,000 serial bonds due in 1995, interest at 7.90%	1,335,000
$1,440,000 serial bonds due in 1996, interest at 8.00%	1,440,000
$1,565,000 serial bonds due in 1997, interest at 8.10%	1,565,000
$1,695,000 serial bonds due in 1998, interest at 8.25%	1,695,000
$1,840,000 serial bonds due in 1999, interest at 8.40%	1,840,000
$14,970,000 term bonds due in annual installments of $2,000,000 to $3,045,000 from June 1, 2000 through December 1, 2005, interest at 8.70%	14,970,000
$19,795,000 term bonds due in annual installments of $3,320,000 to $4,655,000 from June 1, 2006 through December 1, 2010, interest at 8.70%	19,795,000
Totals	48,365,000
Less current maturities	695,000
Total long-term debt	$ 47,670,000

In addition to the specified redemptions shown above, all bonds due December 1, 1995 and thereafter are subject to optional redemption, at the option of the Program, on thirty days' notice, from available monies on and after June 1, 1995, as specified in the bond indenture. Such optional redemptions will be in the amount of the bond principal to be redeemed, plus accrued interest to the date fixed for such redemptions.

Finally, provisions of the bond indenture specify that on June 1, 1995, any portion of the bond proceeds not used to originate loans to local entities shall be used to redeem outstanding bonds. Such redemption is to be made at face value plus accrued interest, and will be made in inverse order of maturity.

Maturities of long-term debt are as follows:

Years ended May 31,	
1990	$ 695,000
1991	790,000
1992	890,000
1993	995,000
Thereafter	44,995,000
Total	$ 48,365,000

10. Revenue Bonds (cont...)

A. Enterprise Funds (cont...)

Oklahoma Water Resources Board (cont...)

Series 1986A

	August 31, 1989
Variable Rate Revenue Bonds:	
$ 585,000 serial bonds due in 1990	$ 585,000
$ 640,000 serial bonds due in 1991	640,000
$ 705,000 serial bonds due in 1992	705,000
$ 775,000 serial bonds due in 1993	775,000
$ 855,000 serial bonds due in 1994	855,000
$ 940,000 serial bonds due in 1995	940,000
$ 1,035,000 serial bonds due in 1996	1,035,000
$ 1,135,000 serial bonds due in 1997	1,135,000
$ 1,250,000 serial bonds due in 1998	1,250,000
$ 1,375,000 serial bonds due in 1999	1,375,000
$ 1,515,000 serial bonds due in 2000	1,515,000
$ 1,665,000 serial bonds due in 2001	1,665,000
$ 1,830,000 serial bonds due in 2002	1,830,000
$ 2,015,000 serial bonds due in 2003	2,015,000
$ 2,215,000 serial bonds due in 2004	2,215,000
$ 2,435,000 serial bonds due in 2005	2,435,000
$ 2,680,000 serial bonds due in 2006	2,680,000
$ 2,950,000 serial bonds due in 2007	2,950,000
$ 3,245,000 serial bonds due in 2008	3,245,000
$ 3,565,000 serial bonds due in 2009	3,565,000
$ 3,925,000 serial bonds due in 2010	3,925,000
$ 4,315,000 serial bonds due in 2011	4,315,000
Totals	41,650,000
Less: Unamortized discount	<448,987>
Total long-term debt	$ 41,201,013

The bonds bear interest at a variable rate, initially set at 4.75% and periodically adjusted pursuant to the provisions of the bond indenture, to a maximum rate of 14% per year. The interest rate on the bonds was 7.05% at August 31, 1989. At the option of the Board and subject to applicable provisions of the bond indenture, the variable interest rate may be converted to a term rate that would stay fixed until maturity of the bonds. Interest rates are set periodically, as specified by the bond indenture, by the Program's remarketing agent.

Interest on the bonds is payable semiannually on March 1 and September 1 of each year. While the bonds bear interest at an adjustable, variable rate, the bonds are to be repurchased at each such interest payment date at a price equal to the unpaid principal amount, unless such repurchase is waived in writing by the bond holder. The bonds are also subject to mandatory tender upon conversion to a term interest rate.

10. Revenue Bonds (cont...)

A. Enterprise Funds (cont...)

Oklahoma Water Resources Board (cont...)

In addition to their normal scheduled maturity dates as shown above, the bonds may be redeemed at the option of the Board, in whole or in part, on any interest payment date prior to conversion to a term interest rate, for their principal amount plus accrued interest to the date of redemption. Following any conversion to a term rate, the bonds may also be redeemed at the option of the Board, in whole or in part, at such dates and for such prices, plus accrued interest as are set forth in the bond indenture. At September 1, 1989, $ 2,890,000 of the bonds were redeemed.

Scheduled maturities of long-term debt are as follows:

September 1,	1990	$ 585,000
	1991	640,000
	1992	705,000
	1993	775,000
	1994	855,000
	Thereafter	38,090,000
	Total	$ 41,650,000

Oklahoma Municipal Power Authority

The Authority has issued Power Supply System Revenue Bonds to finance portions of its acquisition and construction activities.

Revenue Bonds outstanding are as follows:

	December 31, 1988
Power Supply System Revenue Bonds, Series 1985 C, 7.20% to 9.10%, due January 1, 1990 to January 1, 2000	$ 14,260,000
Power Supply System Revenue Bonds, Series 1986 A, 5.75% to 8.25%, due January 1, 1990 to January 1, 2023	30, 180,000
Power Supply System Revenue Bonds, Series 1986 B, 5.75% to 8.25%, due January 1, 1990 to January 1, 2023	41,140,000
Power Supply System Revenue Bonds, Series 1986 C, 5.00% to 7.375%, due January 1, 1990 to January 1, 2023	181,475,000
Total	$ 267,055,000

10. Revenue Bonds (cont...)

A. Enterprise Funds (cont...)

Oklahoma Municipal Power Authority (cont...)

Aggregate annual principal maturities of revenue bonds for the next five years are as follows:

Year Ending December 31,	
1989	$ -
1990	1,730,000
1991	1,840,000
1992	2,200,000
1993	2,350,000

The revenue bonds issued are payable from and secured by a pledge of and security interest in the proceeds of the sale of the bonds, the revenues of the Authority and the assets in the funds established by the respective bond resolution. Interest on the revenue bonds is payable semiannually on January 1 and July 1 each year. Neither the State of Oklahoma nor any political subdivision thereof nor any participating municipality which has contracted with the Authority, is obligated to pay the principal of or interest on the revenue bonds. The Authority does not have any taxing power.

The Power Supply System Revenue Bonds, Series 1986A were issued to refund the Authority's Power Supply System Revenue Bonds, Series 1985A which matured in 1988 in the aggregate principal amount of $25,000,000. The difference of approximately $235,000 between the net carrying amount of the Series 1985A bonds and the net proceeds to the Authority from the Series 1986A bonds was deferred and is being amortized to expense over the life of the Series 1986A bonds. This transaction has resulted in a net reduction of debt service cost over the life of the refunding bonds.

The Power Supply System Revenue Bonds, Series 1986C were issued to refund the Authority's Power Supply System Revenue Bonds, Series 1985C maturing 2005, 2015 and 2023 in the aggregate principal amount of $148,760,000. The difference between the net carrying amount of the Series 1985C bonds and the net proceeds to the Authority from the Series 1986C bonds is approximately $29,646,000. Of this amount, $ 4,859,000 has been capitalized as construction in progress and the remaining $24,787,000 has been deferred and is being amortized to expense over the life of the Series 1986C bonds. This transaction has resulted in a net reduction of debt service cost over the life of the refunding bonds.

The net proceeds of the Series 1986C bonds have been irrevocably deposited with an escrow agent and have been used to purchase direct obligations of the United States Government. The principal of and interest on these obligations will be sufficient to pay the refunded bonds at their maturity and to pay interest to such date. Upon establishment of the escrow accounts, the refunded bonds were no longer considered outstanding obligations of the Authority.

The Series 1985 A bonds were retired in July 1988 with the escrow account funded from the Series 1986 A bonds.

10. Revenue Bonds (cont...)

B. Internal Service Funds

Oklahoma Capitol Improvement Authority

The Oklahoma Capitol Improvement Authority (OCIA) has issued four (4) series of Building Bonds to construct and equip State Office Buildings. Principal and interest payments on these bond issues are paid from rents collected from the various State agencies which use the office buildings constructed with the bond proceeds.

OCIA issued the State Office Building Revenue Bonds Series A of 1972, in the amount of $17,500,000, to finance the construction of the M.C. Connors, Oliver Hodge and Transportation buildings in the State Capitol Complex in Oklahoma City. State Office Building Revenue Bonds Series A, in the amount of $13,500,000, were issued in 1973 to finance the construction of the J. Howard Edmondson and Robert S. Kerr buildings in Tulsa. Interim Revenue Bonds, in the amount of $5,000,000, were issued in 1986 to finance the construction of the George Nigh Rehabilitation Center in Okmulgee. Authority Lease Payment Revenue Bonds, in the amount of $2,500,000, were issued in 1988 to finance the construction of the Library for the Blind and Physically Handicapped in Oklahoma City.

Bonds payable at June 30, 1989, are as follows:

Description	Interest Rates	Amount
State Office Building Revenue Bonds Series A of 1972	4.5% to 6.5%	$ 12,765,000
State Office Building Revenue Bonds Series A of 1973	4.0% to 6.0%	10,335,000
Interim Revenue Bonds Series A of 1986	9.0%	4,767,713
Library for the Blind and Physically Handicapped Revenue Bonds Series A of 1988 Authority Lease Payment	7.0%	2,500,000
Total		$ 30,367,713
Current Portion due within one year		$ 1,265,426
Non-current Portion		29,102,287
Total		$ 30,367,713

10. Revenue Bonds (cont...)

B. Internal Service Funds (cont...)

Oklahoma Capitol Improvement Authority (cont...)

As of June 30, 1989, bond requirements for principal and interest in future years are as follows:

Years Ending June 30,	Principal	Interest	Total
1990-1991	$ 2,764,177	$ 3,369,180	$ 6,133,357
1992-1996	8,760,261	7,087,222	15,847,483
1997-2001	10,988,838	4,224,384	15,213,222
2002-2003	7,506,395	1,018,982	8,525,377
2007	348,042	11,849	359,891
Total	$ 30,367,713	$ 15,711,617	$ 46,079,330

C. Higher Education Fund Type

Certain State colleges and universities have issued revenue bonds for the acquisition of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds. Interest rates range from 3% to 12%. Principal outstanding at June 30, 1989 totaled $114,479,000. This amount includes $150,000 of mortgage notes payable.

The scheduled maturities (amounts expressed in thousands) are as follows:

Years Ending June 30,	Principal
1990	$ 6,354
1991 & after	108,125
	114,479
Less Mortgage Notes Payable	150
Total	$ 114,329

11. Retirement and Pension Systems

A. General Description of the Retirement Systems

The State of Oklahoma administers six Public Employee Retirement Systems (PERS): Oklahoma Public Employees' Retirement System (OPERS), Oklahoma Firefighters Pension and Retirement System (OFPRS), Oklahoma Police Pension and Retirement System (OPPRS), Teachers' Retirement System of Oklahoma (TRS), Oklahoma Law Enforcement Retirement System (OLERS), and the Uniform Retirement System for Justices and Judges (URSJJ). Information pertinent to each system is stated below.

TRS, OPERS, OFPRS, OPPRS, OLERS, URSJJ, are cost-sharing multiple employer defined benefit retirement systems. Pension benefit provisions for all systems have been established by statute. Vesting information for the retirement systems is disclosed on an individual basis (Item D - System Details).

The employers' actual current-year covered payroll for the fiscal year ended June 30, 1989 is noted below (expressed in millions):

(Unaudited) TRS	(Unaudited) OPERS	OFPRS	OPPRS	(Unaudited) OLERS	(Unaudited) URSJJ
$ 1,610	$ 918	$ 83	$ 83	$ 28	$ 13

TRS, OPERS, OFPRS, OPPRS, OLERS, URSJJ retirement benefits are financed from a combination of investment earnings and employee, employer, and state contributions. OFPRS benefits are also financed through insurance premium taxes. TRS benefits are also financed through state appropriations. Participants in TRS and OFPRS can withdraw total employee contributions, including accrued interest, upon termination. OPPRS, OPERS, URSJJ AND OLERS participants accrue no interest and may elect to withdraw their contributions upon termination.

The Entry Age Cost Method is used in TRS, OFPRS, URSJJ, OPERS and OPPRS to determine the Normal Cost. For OLERS, the method used to determine Normal Cost is not an actuarial determination, but is set at a rate determined by the Oklahoma Legislature. For OFPRS and URSJJ, the Unfunded Actuarial Accrued Liability (U.A.A.L.) is amortized as a level percentage of all salaries over a period of 30 years. OLERS, OPERS and TRS amortizes the U.A.A.L. over periods 20, 25, and 40 years, respectively. OPPRS amortizes the U.A.A.L. over a 20 year period.

B. Funding Status and Progress

The total pension benefit obligation is stated below on an individual basis. These totals are based on a standardized disclosure measure as required by GASB Statement 5. The standardized measure is the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. Use of the standardized measure enables readers of the State of Oklahoma's financial statements to: (a) assess on an ongoing basis the funding status of each system, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons with other states or retirement systems. The standardized disclosure method is independent of the actuarial funding method used to determine contributions to the retirement systems. The assumptions used to determine the contribution rates are the same as those used in determining the pension benefit obligation.

11. Retirement and Pension Systems (cont...)

B. Funding Status and Progress (cont...)

Historical Trend Information for the six state administered systems is found in the Statistical and Economic Data of this report. This will provide information about the progress made by the State of Oklahoma in accumulating sufficient assets to pay benefits when due.

Actuarial determinations are made for the various systems by independent consulting actuaries for each respective system.

The following summary of selected actuarial data has been compiled in accordance with GASB Statement 5:

Pension Benefit Obligation (dollars expressed in thousands):

	TRS	OPERS	OFPRS	OPPRS	OLERS	URSJJ
Actuarial Valuation Date	6-30-89	7-1-89	6-30-89	6-30-89	7-1-89	7-1-89
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 2,248,757	$ 933,703	$ 545,382	$ 247,260	$ 103,822	$ 18,164
Current Employee:						
Accumulated employee contributions	798,567	85,805	42,326	31,616	*	5,566
Employer-financed vested	709,477	380,574	193,611	87,906	61,367 *	9,216
Employer-financed nonvested	351,483	337,015	54,945	100,989	25,425	16,355
Total pension benefit obligation	4,108,284	1,737,097	836,264	467,771	190,614	49,301
Net Assets available for benefits	1,722,681	1,439,543	407,945	379,490	137,459	41,577
Unfunded pension benefit obligation	$ 2,385,603	$ 297,554	$ 428,319	$ 88,281	$ 53,155	$ 7,724

* Employee and employer financed vested

The pension benefit obligation for each of the six PERS was determined as part of an actuarial valuation at the dates noted in the table above.

C. Significant Actuarial Assumptions

A summary of significant actuarial assumptions used to determine the standardized measure of the pension benefit obligation for OPERS, OFPRS, OPPRS, TRS, OLERS and URSJJ is listed below:

- Assumed rate of return on investments was 7.5% compounded annually.
- Life expectancy of participants based on published mortality tables.
- Retirement age and turnover assumptions consistent with system experience.
- Projected salary increases due to inflation are listed as follows:
  - OFPRS and OLERS 5.5%
  - URSJJ 5%
  - OPERS and OPPRS 6%
  - TRS salary increases are based on rates consistent with system experience.

D. System Details

Teachers' Retirement System of Oklahoma (TRS)

System Information

The TRS was legislatively established in 1943. Eligibility for membership requires service by qualified persons employed by state supported educational institutions and covers all employees of the public school system.

Retirement benefits are vested after an employee completes ten years of credited Oklahoma service. Members are eligible to retire at maximum benefits when age and years of creditable service total eighty. Members whose age and service do not equal eighty may, at age 62, receive full benefits or reduced benefits as early as age 55. The normal retirement benefit is equal to 2% of final compensation for each year of credited service. Final compensation is defined as the average salary for the three highest years of compensation during the last five years of service.

In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final compensation for each year of credited Oklahoma service.

Contributions Required and Contributions Made

The contribution requirements of the System are an established rate determined by the Oklahoma Legislature and are not an actuarial calculation. Participating members are required to contribute 5% of their applicable earnings up to a maximum of $25,000 and may elect to contribute 10% on the earnings in excess of $25,000 limited to $40,000.

11. Retirement and Pension Systems (cont...)

D. System Information (cont...)

Teachers' Retirement System of Oklahoma (TRS) (cont...)

System Information (cont...)

Contributions Required and Contributions Made (cont...)

The actuarial determined state contribution requirement at June 30, 1989, was approximately $205 million. The actuarial determined state contribution consists of approximately $43 million for normal costs, and approximately $162 million for amortization of the unfunded actuarial accrued liability. Total actual contributions were $233 million, of which $101 million were employee contributions and $132 million were contributions from the State of Oklahoma and various federal sources.

Significant changes made to the Plan were as follows for periods beginning July 1, 1989 through June 30, 1990:

- the employer is required to make contributions based on one-half of one percent of the regular annual compensation of the member not in excess of the maximum compensation level. This rate increases to one percent beginning July 1, 1990.

- the member's contribution rate is increased from five percent to five and one-half percent of the regular annual compensation of the member but not in excess of $25,000. This rate is further increased to six percent effective July 1, 1990.

- the members will contribute ten and one-half percent of regular annual compensation in excess of $25,000 but limited to $40,000. Effective July 1, 1990, this rate will become eleven percent.

In April 1989, through passage of House Bill #1533, the calculation of retirement benefits which had been based upon the average salary for the three highest years of the compensation during the last five years of service was changed to the average of the three highest years of compensation. This amendment was effective July 1, 1989.

The following were significant changes to the System effective beginning January 1, 1990:

- the interest rate on repayment of withdrawn contributions will increase to 10% from the current interest rate of 5%.

- the interest rate on contributions for the purchase of service with other Oklahoma public retirement systems will increase to 10% from the current interest rate of 5%.

The System's independent actuary has not determined the effect, if any, these amendments will have on the System's unfunded obligation.

Oklahoma Public Employees' Retirement System (OPERS)

System Information

Membership in the system includes elected officials and substantially all state employees not covered by the five other plans. Retirement benefits are vested after an employee completes eight years of credited service and after an elected official completes six years of credited service.

11. Retirement and Pension Systems (cont...)

D. System Details (cont...)

Oklahoma Employees' Retirement System (OPERS) (cont...)

System Information (cont...)

Benefits are determined at 2% of the average highest three years' annual covered compensation received during the last 5 years of participating service multiplied by the number of years of credited service. Normal retirement age under the Plan is age 62, except for elected officials for which the normal retirement age is 60. Also, a member including elected officials with a minimum of 9 years, 6 months of participating service may elect early retirement with reduced benefits beginning at age 55. Members other than elected officials become fully vested upon completing 8 years of credited service. Elected officials become fully vested upon completing 6 years of credited service. Members' contributions are 100% vested immediately and may be withdrawn upon termination of employment.

Members qualify for full retirement benefits at the age of 62 or when the sum of the members' age and their years of credited service equal 80. Credited service is the sum of participating and prior year service. Prior year service includes service before January 1, 1964 or the entry date of the employee and active wartime military service.

Disability benefits are available for members having 9 years, 6 months of credited service in which an awards letter has been received from the Social Security Administration and are determined in the same manner as retirement benefits.

Death benefits are provided to members' beneficiaries in a single payment of the accumulated contributions, and to the members' current spouse if the spouse is the sole primary beneficiary and member was eligible to retire with either reduced or unreduced benefits at the time of death. If the member was eligible to vest, the benefits can be paid in a monthly payment over the remaining life of the beneficiary.

Effective July 20, 1987, upon the death of a retired member, the Plan will pay $4,000 to the member's beneficiary or to the estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Contributions Required and Contributions Made

State employees not including elected officials, the majority of the participants for fiscal 1989, contributed 2% and 7% of the first $25,000 of earned compensation. Other participants contributed between 2% and 7% of the first $25,000 of earned compensation. A member whose annual salary exceeds $25,000 may elect to contribute 10% of salary in excess of $25,000 to a maximum of $40,000. State agencies not including elected officials contributed 14% of active members' earned compensation up to the first $25,000 of wages. Other employing agencies contributed between 9% and 14% of the first $25,000 of salary. State agencies not including elected officials also contributed 10% of participants' annual earned compensation in excess of $25,000, not to exceed $40,000, for participants who elected to pay contributions on their earned compensation in excess of $25,000. Other employing agencies contributed 14% for participants who elected to pay contributions on their earned compensation in excess of $25,000. Elected officials for both state and other employing agencies contributed between 4.5% and 10% of the first $25,000 of earned compensation. Officials whose annual salary exceeds $25,000 may elect to contribute 10% of salary in excess of $25,000 to a maximum of $40,000. State and other employing agencies for elected officials contributed 10% of the total salary amount that the employee elected for contributions.

11. Retirement and Pension Systems (cont...)

D. System Details (cont...)

Oklahoma Public Employees' Retirement System (OPERS) (cont...)

System Information (cont...)

Contributions Required and Contributions Made (cont...)

Total OPERS actuarially determined contribution requirements were $117 million. Total actual contributions were $133 million, of which $21 million were employee contributions and $112 million were employer contributions.

Significant changes made to the System, effective July 1, 1989 were as follows:

- disability benefits are now available for members having seven years, six months of credited service who have been declared disabled by the Social Security Administration with an entitlement date within one year of the members' last day on the payroll.
- the first $5,500 in retirement benefits received by a member in tax year 1989 (beginning January 1, 1989) are exempt from Oklahoma state income tax. Prior to this, all retirement benefits received from the Plan were exempt from Oklahoma state income tax.

Effective September 1, 1989, the following significant change has been made to the Plan:

- the vesting requirement for elected officials has been changed to six years of participating service. The participating service required may include participation as an elected official, participation as a regular employee, bonus years, and purchased service.

The Plan's consulting actuary has not determined the effects, if any, the amendments will have on the System's unfunded obligation.

Oklahoma Firefighters Pension and Retirement System (OFPRS)

System Information

The OFPRS was legislatively established in 1981. Eligibility for membership requires service as a firefighter. Volunteer firefighters who are retired shall also be entitled to a monthly pension, if the municipality pays into the system. Retirement benefits are vested after an employee completes ten years of eligible service.

Normal retirement benefit is equal to 2.5% of the member's final average compensation for each year of credited service, not to exceed 30 years. Final average compensation is defined as the average base salary over the highest 30 consecutive months of the last 60 months of participation. For volunteer firefighters, the monthly pension benefit is $5.06 for each year of credited service not to exceed 30 years.

OFPRS members are eligible for disability benefits after approval by the Board of Trustees based upon a medical examiner's report. Disability benefits are determined the same as retirement benefits. A $4,000 lump sum death benefit is payable to the beneficiary or estate of an active or retired participant upon the participant's death.

11. Retirement and Pension Systems (cont...)

D. System Details (cont...)

Oklahoma Firefighters Pension and Retirement System (OFPRS) (cont...)

System Information (cont...)

Contributions Required and Contributions Made

Contributions to the System consist of amounts received from municipalities and their employees equal to 10% and 8% of members' salaries respectively. Based on the actuarial valuation prepared July 1, 1988, the total contribution requirement for fiscal year 1989 was $54,038,319. Of this amount, the contribution requirement for the State of Oklahoma totaled $40,817,953, with $9,594,313 required through state appropriations (other than insurance premiums) to cover normal cost and to amortize the unfunded obligation over a thirty year period for the year ending June 30, 1989. Actual contributions to the System for the year ended June 30, 1989 consisted of employer contributions of $8,743,094, employee contributions of $6,734,186 and insurance premium taxes of $30,266,715.

Significant changes made to the System were as follows:

- House Bill #2013 resulted in the elimination of the System's claim against $37 million of insurance premium taxes held in escrow by the State Insurance Commissioner's office. As a result of the System's relinquishing the claim against these funds, the System is now receiving 34% of the insurance premium tax collected from insurance companies on all types of insurance policies. Insurance premium taxes received for the year ending June 30, 1989 were $30,266,715.

Oklahoma Police Pension and Retirement System (OPPRS)

System Information

The System covers substantially all police officers employed by the 107 participating municipalities within the State of Oklahoma. Police officers employed in participating municipalities are required to participate in the System, provided they meet certain requirements. Police officers are required to pass physical and medical examinations and must be not less than 21 nor more than 35 years of age when accepted for initial membership. Effective July 1, 1989, the maximum age limit for initial membership was increased to 45 years.

The normal retirement date under the plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing ten years of credited service as a contributing participant of the System.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the last 30 months of credited service) multiplied by the years of credited service. The maximum pension allowable for any participant is 75% of the final average salary.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years or actual service if greater than 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage impairment. After ten years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service, not to exceed 30 years. This disability benefit is also reduced by stated percentages for partial disability based on the percentage impairment. A $4,000 death benefit is also paid, in addition to the pension benefit.

11. Retirement and Pension Systems (cont...)

D. System Details (cont...)

Oklahoma Police Pension and Retirement System (OPPRS) (cont...)

System Information (cont...)

Contributions Required and Contributions Made

Each municipality contributes 10% of the actual base salary of each participant in the System employed by the municipality. Each participant of the System contributes 8% of his actual paid base salary.

Actual contributions from cities and participants at June 30, 1989, were $14,585,000. State contributions were $12,198,000.

There were no significant changes to the System as of June 30, 1989; however, cost-of-living-allowance (COLA) which will be effective July 1, 1989 for officers in the City of Tulsa is pending in arbitration proceedings. The COLA allowed as a result of these proceedings will impact future retirement benefit amounts for approximately 300 retirees currently receiving benefits.

Oklahoma Law Enforcement Retirement System (OLERS)

System Information

OLERS was established July 1, 1947 for the purpose of providing retirement allowances and other benefits for qualified law enforcement officers as defined by Oklahoma statutes. Currently, agencies and/or departments who are members of the System are the Oklahoma Highway Patrol, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control and the Oklahoma Alcoholic Beverage Control Board designated to perform duties in the investigation and prevention of crime and the enforcement of the criminal laws of this state, the drivers license examiners and members of the Communications Division and Waterways Patrol Division of the Oklahoma Department of Public Safety, park rangers of the Oklahoma Tourism and Recreation Department and inspectors of the Oklahoma State Board of Pharmacy.

Normal retirement date requirements are completion of 20 years of vested service or attainment age of 62, if the member was transferred from OPERS on or after July 1, 1981 and the member of OPERS would have been vested if the member had continued in that retirement system. Retirement benefits are vested after an employee completes ten years of credited service.

Benefit provisions include disability benefits which are equal to (a) the greater of 50% of the average of the highest 30 consecutive complete months of actual paid base salary; (b) or 2.5% of the average of the highest 30 consecutive complete months of actual paid base salary multiplied by the number of years of the member's credited service.

11. **Retirement and Pension Systems (cont...)**

D. **System Details (cont...)**

Oklahoma Law Enforcement Retirement System (OLERS) (cont...)

System Information (cont...)

Contributions Required and Contributions Made

Contribution requirements are determined by the Oklahoma Legislature. The actuarially determined contribution requirement was $12.1 million as of July 1, 1989, which consists of $5.7 million for normal costs and approximately $6.4 million for amortization of the unfunded actuarial accrued liability. There were no significant changes made to the System during 1989.

Uniform Retirement System for Justices and Judges (URSJJ)

System Information

The URSJJ covers all justices and judges of the Oklahoma Supreme Court, Court of Criminal Appeals, State Industrial Court, Intermediate Appellate Court and District Courts.

Members are eligible to retire at age 70 with 8 years of credited service, at age 65 with 10 years of credited service or age 60 with 20 years of credited service. Members become fully vested upon completing 8 years of credited service.

Benefit provisions include disability benefits for members who have attained age 55 and have 15 years of credited service and are determined in the same manner as retirant benefits. Death benefits are paid to members' beneficiaries provided the member meets the contribution requirements. Members must have 8 years of credited service before beneficiaries are eligible for death benefits. Upon death of a retired member, the Plan will pay $4,000 to the member's beneficiary.

Members contributions for fiscal year 1989 were 5% of a member's monthly salary. If a member elects to extend the provision of the Plan to a surviving spouse, contributions are 8% of a member's monthly salary. Contributions from the participating courts are 10% of all fines, forfeitures and penalties received by the courts, determined each quarter.

The actuarial determined contribution requirement at June 30, 1989 was $3,816,010. Actual contributions at June 30, 1989 were $4,398,228 of which $870,365 were member contributions and $3,527,863 were contributions from the participating courts.

The following significant change was made to the Plan, effective July 1, 1989:

- a member's spouse may now collect survivor benefits before the age of 60. The spouse may collect upon the death of the member provided the member had served at least 10 years and would have met the requirements for retirement.

11. Retirement and Pension Systems (cont...)

E. Investments

The following is a summary of the investments of the various State pension plans (amounts are rounded and expressed in thousands):

	TRS	OPERS	OFPRS	OPPRS	OLERS	URSJJ
Certificates of Deposit	$ 0	$ 0	$ 0	$ 16,545	$ 0	$ 0
Debt Securities:						
U.S. Government, cost	661,923	0	0	0	81,580	0
U.S. Government, FMV	0	0	114,915	120,809	0	0
Public Utilities, cost	107,281	0	0	0	0	0
Public Telephone, cost	67,037	0	0	0	0	0
Other Industrial Co.,cost	338,185	0	0	0	0	0
Other Industrial Co., FMV	0	0	41,563	0	0	0
Corporate Bonds and Indentures, cost	0	671,627	0	0	8,671	0
Corporate Bonds, FMV	0	0	0	65,029	0	0
Short-Term Investments, cost	219,893	83,215	0	0	13,075	2,883
Short-Term Investments, FMV	0	0	97,893	0	0	0
Common and Preferred Stocks, FMV	0	0	0	136,202	0	0
Equity Securities, cost	440,921	521,630	0	0	33,303	8,595
Equity Securities, FMV	0	0	148,051	0	0	0
Institutional Liquid Assets, FMV	0	0	0	34,211	0	0
Growth Equity Mortgage Pool, FMV	0	0	0	1,583	0	0
Fixed Income Securities, cost	0	127,110	0	0	0	27,767
Total	$ 1,835,240	$ 1,403,582	$ 402,422	$ 374,379	$ 136,629	$ 39,245

12. Special Indemnity Fund - Restatement of Prior Year's Balances

The Special Indemnity fund has changed the presentation of its financial statements from an enterprise fund to a special revenue fund.

The fund balance was restated as of December 31, 1987 as follows:

Fund balance as reported in the financial statements of December 31, 1987 (deficit)	$ (13,821,638)
Add back	
Net present value of outstanding awards at December 31, 1987 (See change in accounting described in Note 1)	14,503,537
Deduct	
Amount of permanent partial awards in arrears at December 31, 1987	(1,893,364)
Fund balance (restated) at December 31, 1987 (deficit)	$ (1,211,465)

The net change in prior year's fund balance results from changing the method of calculation from that of measuring the excess of the present value of awards payable over net assets to that of measuring the excess of awards currently due over net assets before provision for amount required to pay awards in future years.

13. Reverse Repurchase Agreements

The Office of State Treasurer had invested at June 30, 1988 approximately $567 million in reverse repurchase agreements. This instrument is defined as:

"Governmental entities sometimes enter into reverse repurchase agreements when they want to temporarily convert securities in their portfolios to cash. In these transactions, the entity is the seller-borrower, transfers securities to the buyer-lender for cash and promises to repay cash plus interest in exchange for the return of the same securities."[1] According to generally accepted governmental accounting principals, a reverse repurchase transaction is not a sale of securities, but represents an outstanding collateralized loan.

The Office of State Treasurer invests in reverse repurchase agreements. The above definition of this instrument appears to indicate that this type of transaction represents an outstanding collateralized debt of the Office of State Treasurer. The State Treasurer's Office has authority under 62 O.S. Supp. 1987, §89.2.A. to invest in repurchase agreements. The State Treasurer's Office has authority under 62 O.S. Supp. 1988, §90, to enter into a "securities lending program". It appears that these transactions may result in a collateralized debt in violation of the Constitution of the State of Oklahoma Art. 10, Section 15 whereby, "The state shall never create or authorize the creation of any debt or obligation, or fund or pay any deficit, against the state, or any department, institution or agency thereof, regardless of its form or the source of money from which it is to be paid...", and/or these transactions may be in violation of the

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[1] Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, (Stamford, 1986), p.9.

13. Reverse Repurchase Agreements (cont...)

Constitution of the State of Oklahoma Art. 10, Section 23 whereby "The credit of the State shall not be given, pledged, or loaned to any individual company, corporation, or association, municipality, or political subdivision of the State...".

14. Related Party Transactions

During the period under review, there existed several related party circumstances in the investment function of the Office of State Treasurer.

(a) The former Chief Trader of the Office was engaged to and subsequently married a broker of a stock brokerage firm with which the Office had conducted approximately $1 billion in investment transactions during the fiscal years ended June 30, 1988 and 1989. Commissions are paid by the brokerage firms and would be built into the price paid by the Office of State Treasurer. The amount of any commissions paid would not be known to the Office of State Treasurer.

(b) The current Chief Trader is the father of a broker at a major brokerage firm with which the Office conducted approximately $2.5 billion in investment transactions during the fiscal years ended June 30, 1988 and 1989. This broker appeared to be the broker of record on trade documents transacted fiscal year 1989. Commissions are paid by the brokerage firms and would be built into the price paid by the Office of State Treasurer. The amount of any commissions paid would not be known to the Office of State Treasurer.

15. Commitments

Department of Transportation

The Department has obligations for highway construction projects which totaled $ 160,751,125 at June 30, 1989. Of these commitments, 82% are expected to be federally reimbursed from the proceeds of approved project agreements when the actual costs are incurred. These commitments are in the form of signed construction contracts and have been reported as encumbrances in the accompanying financial statements. The federally reimbursable portion of these commitments has been designated as a reduction of total encumbrances.

Oklahoma Municipal Power Authority

The Oklahoma Municipal Power Authority has purchased ownership interests in one coal-fired generating unit, two lignite-fired generating units and one hydroelectric generating unit. During the year ended December 31, 1986, the agreement for the purchase of ownership interest in the hydroelectric generating unit was replaced with a new agreement whereby the Authority, as co-licensee of the project, will have ownership interest of 99.5% and will be the construction manager of the project. An agreement was consummated in December 1988 which provided for the purchase of the remaining .5% interest. This agreement is subject to formal approval by the regulatory agencies, and in the opinion of management, such approval will be forthcoming.

At December 31, 1988, the hydroelectric generating unit is still under construction. The Authority's share of costs to complete this unit along with commitments for certain other generating and transmission facilities as of December 31, 1988 is estimated to be approximately $12.7 million.

In addition to the arrangements for the purchase of ownership shares of generating capacity, the Authority has entered into certain power purchase and transmission arrangements in order to supplement generating capacity owned by the Authority and to provide for the transmission of the Authority's power and energy to the member municipalities.

16. Litigation and Contingencies

The State and its units are parties to numerous legal proceedings, many of which normally recur in governmental operations. The legal proceedings are not likely to have a material adverse impact on the State's financial position, based on information provided by the Attorney General, with respect to litigation being handled by that office.

The State receives significant financial assistance from the U.S. Government in the form of grants and federal revenue sharing entitlements. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the Federal agencies. Any disallowances as a result of these audits could become a liability of the State. As of June 30, 1989, the State is unable to estimate what liabilities may result from such audits.

17. Subsequent Events

Subsequent to June 30, 1989, the Oklahoma Industrial Finance Authority issued general obligation bonds in the amount of $10,000,000 (Issue P) at a variable interest rate with a maximum rate of 14% due in July, 2019.

Subsequent to June 30, 1989, the Oklahoma Industrial Finance Authority issued general obligation bonds in the amount of $10,000,000 (Issue Q) at a variable interest rate with a maximum rate of 14% due in July, 2019.

COMBINING FINANCIAL STATEMENTS

STATE OF OKLAHOMA
COMBINING BALANCE SHEET (BY FUNCTION)
GENERAL FUND
JUNE 30, 1989

	GENERAL GOVERNMENT	EDUCATION	HEALTH AND SOCIAL SERVICES
ASSETS			
Cash and deposit with Treasury	$ 806,992,480	$ 68,885,106	$ 87,593,818
Cash and temporary investments, restricted	0	20,214	0
Accrued interest receivable	0	0	0
Investments	612,413	0	0
Investments at fair market value	0	0	0
Accounts receivable	0	99,446	9,822,140
Due from other funds	3,959	0	0
Due from federal government	0	0	21,794,899
Due from other state agencies	0	0	1,011,638
Notes receivable	0	0	0
Inventories	0	2,544,575	6,065,160
Prepaid expenses	0	5,743	0
Property, plant and equipment (net)	0	0	0
Restricted assets	0	0	0
Other assets and deferred charges	0	557	0
Equity in state school land funds	0	0	0
Amount provided for retirement of long term debt	0	0	0
TOTAL ASSETS	$ 807,608,852	$ 71,555,641	$ 126,287,655
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and vouchers payable	$ 219,550,905	$ 0	$ 11,950,196
Accounts payable and accrued liabilities	3,929,681	2,372,128	54,003,523
Notes payable	0	0	0
Due to other funds	0	0	0
Funds held in custody for others	0	0	154,045
Premium deposits, unearned premium and other	0	0	0
Other liabilities	0	0	94,108
Deferred revenues and deposits	0	0	0
Refundable motor fuel tax	0	0	0
General long term debt	0	0	0
General obligation bonds payable	0	0	0
Revenue bonds payable	0	0	0
Total liabilities	223,480,586	2,372,128	66,201,872

LAW, JUSTICE AND PUBLIC SAFETY	RECREATION AND NATURAL RESOURCES	REGULATORY SERVICES	TOTAL
$ 27,672,534	$ 4,946,382	$ 9,986,398	$ 1,006,076,718
0	0	0	20,214
0	0	0	0
0	0	0	612,413
0	0	0	0
0	0	0	9,921,586
0	0	0	3,959
0	0	0	21,794,899
0	0	0	1,011,638
0	0	0	0
0	0	0	8,609,735
0	0	0	5,743
0	0	0	0
0	0	0	0
0	0	0	557
0	0	0	0
0	0	0	0
$ 27,672,534	$ 4,946,382	$ 9,986,398	$ 1,048,057,462
$ 0	$ 0	$ 0	$ 231,501,101
2,921,093	860,817	960,708	65,047,950
0	0	0	0
0	0	0	0
0	0	0	154,045
0	0	0	0
0	0	0	94,108
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
2,921,093	860,817	960,708	296,797,204

STATE OF OKLAHOMA
COMBINING BALANCE SHEET (BY FUNCTION)
GENERAL FUND
JUNE 30, 1989

	GENERAL GOVERNMENT	EDUCATION	HEALTH AND SOCIAL SERVICES
Fund balance:			
Reserved:			
Encumbrances and contracts	$ 3,888,427	$ 6,247,656	$ 5,867,090
Less amount reimbursed by federal government	0	0	0
Loans to students	0	0	0
Inventories	0	2,544,575	4,608,856
Insurance losses	0	0	0
Actuarial present value of accumulated retirement plan benefits	0	0	0
Excess (deficit) actuarial accumulated retirement benefits over net assets availailable	0	0	0
Permanent trust	0	0	0
Unemployed benefits	0	0	0
Other	0	0	6,136,431
Unreserved:			
Designated	0	100,000	0
Designated for debt service	0	0	0
Undesignated	580,239,839	60,291,282	43,473,406
Total fund balance	584,128,266	69,183,513	60,085,783
TOTAL LIABILITIES AND FUND BALANCE	$ 807,608,852	$ 71,555,641	$ 126,287,655

LAW, JUSTICE AND PUBLIC SAFETY	RECREATION AND NATURAL RESOURCES	REGULATORY SERVICES	TOTAL
$ 6,021,646	$ 1,880,605	$ 2,201,449	$ 26,106,873
0	0	0	0
0	0	0	0
0	0	0	7,153,431
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	6,136,431
0	0	0	100,000
0	0	0	0
18,729,795	2,204,960	6,824,241	711,763,523
24,751,441	4,085,565	9,025,690	751,260,258
$ 27,672,534	$ 4,946,382	$ 9,986,398	$ 1,048,057,462

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BY FUNCTION)
GENERAL FUND
JUNE 30, 1989

	GENERAL GOVERNMENT	EDUCATION	HEALTH AND SOCIAL SERVICES
REVENUES:			
Taxes	$ 2,491,448,921	$ 7,152	$ 0
Licenses, fees and permits	32,609,561	452,855	5,824,025
Income from money and property	98,061,787	131,701	1,460
Federal funds	339,182	160,319,493	746,658,962
Other	21,296,856	15,378,094	150,095,264
TOTAL REVENUES	2,643,756,307	176,289,295	902,579,711
EXPENDITURES:			
General government	113,316,419	0	0
Education	0	1,157,671,385	0
Transportation	0	0	0
Health and social services	0	0	1,524,698,482
Law, justice and public safety	0	0	0
Recreation and natural resources	0	0	0
Regulatory services	0	0	0
Principle retirement	0	0	0
Other	0	0	0
TOTAL EXPENDITURES	113,316,419	1,157,671,385	1,524,698,482
EXCESS REVENUES OVER (UNDER) EXPENDITURES	2,530,439,888	(981,382,090)	(622,118,771)
OTHER FINANCING SOURCES (USES)			
Transfers in	545,283,582	81,658,805	61,394,304
Transfers out	(3,078,384,204)	(439,444,334)	(65,065,715)
State appropriations	105,604,391	1,356,181,870	644,397,476
TOTAL OTHER FINANCING SOURCES (USES)	(2,427,496,231)	998,396,341	640,726,065
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	102,943,657	17,014,251	18,607,294
FUND BALANCE, JULY 1, 1988	481,184,609	52,169,262	41,478,489
Adjustment of Prior Periods	0	0	0
FUND BALANCE, JUNE 30, 1989	$ 584,128,266	$ 69,183,513	$ 60,085,783

LAW, JUSTICE AND PUBLIC SAFETY	RECREATION AND NATURAL RESOURCES	REGULATORY SERVICES	TOTAL
$ 19,000	$ 1,928,473	$ 5,083,795	$ 2,498,487,341
1,639,954	2,735,655	7,789,014	51,051,064
14,521	85,707	37,284	98,332,460
11,713,331	8,368,965	1,932,446	929,332,379
26,441,288	8,523,118	5,307,555	227,042,175
39,828,094	21,641,918	20,150,094	3,804,245,419
0	0	0	113,316,419
0	0	0	1,157,671,385
0	0	0	0
0	0	0	1,524,698,482
269,237,413	0	0	269,237,413
0	63,748,333	0	63,748,333
0	0	48,637,479	48,637,479
0	0	0	0
0	0	0	0
269,237,413	63,748,333	48,637,479	3,177,309,511
(229,409,319)	(42,106,415)	(28,487,385)	626,935,908
238,913,288	2,007,890	943,748	930,201,617
(95,304,416)	(1,322,031)	(2,900,776)	(3,682,421,476)
98,759,893	40,719,270	29,998,881	2,275,661,781
242,368,765	41,405,129	28,041,853	(476,558,078)
12,959,446	(701,286)	(445,532)	150,377,830
11,791,995	4,786,851	9,471,222	600,882,428
0	0	0	0
$ 24,751,441	$ 4,085,565	$ 9,025,690	$ 751,260,258

STATE OF OKLAHOMA
COMBINING BALANCE SHEET (BY FUNCTION)
SPECIAL REVENUE FUND
JUNE 30, 1989

	GENERAL GOVERNMENT	EDUCATION	TRANSPORTATION
ASSETS			
Cash and deposits with Treasury	$ 4,311,154	$ 2,802,840	$ 159,725,697
Cash and temporary investments, restricted	0	0	0
Accrued interest receivable	0	0	0
Investments	0	0	0
Investments at fair market value	0	0	0
Accounts receivable	0	0	2,019,105
Due from other funds	1,367,734	0	0
Due from federal government	0	0	6,498,989
Due from other state agencies	0	0	18,655,453
Notes receivable	0	0	0
Inventories	0	0	10,385,529
Prepaid expenses	0	0	40,106
Property, plant and equipment (net)	0	0	0
Restricted assets	0	0	0
Other assets and deferred charges	0	0	0
Equity in state school land funds	0	0	0
Amount provided for retirement of long term debt	0	0	0
TOTAL ASSETS	$ 5,678,888	$ 2,802,840	$ 197,324,879
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and vouchers payable	$ 0	$ 0	$ 0
Accounts payable and accrued liabilities	3,629	559,190	9,061,818
Notes payable	0	0	0
Due to other funds	0	0	0
Funds held in custody for others	0	0	0
Premium deposits, unearned premium and other	0	0	0
Other liabilities	0	0	787,062
Deferred revenues and deposits	0	0	11,069,428
Refundable motor fuel tax	0	0	0
General long term debt	0	0	0
General obligation bonds payable	0	0	0
Revenue bonds payable	0	0	0
Total liabilities	3,629	559,190	20,918,308

HEALTH AND SOCIAL SERVICES	LAW, JUSTICE AND PUBLIC SAFETY	RECREATION AND NATURAL RESOURCES	REGULATORY SERVICES	TOTAL
$ 2,606,785	$ 1,288,328	$ 1,672,594	$ 23,978,784	$ 196,386,182
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
6,024	0	0	0	2,025,129
0	0	0	0	1,367,734
0	0	0	0	6,498,989
642,661	0	0	0	19,298,114
0	0	0	0	0
0	0	0	0	10,385,529
0	0	0	0	40,106
0	0	0	0	0
0	0	0	0	0
23,907,344	0	0	0	23,907,344
0	0	0	0	0
0	0	0	0	0
$ 27,162,814	$ 1,288,328	$ 1,672,594	$ 23,978,784	$ 259,909,127
$ 0	$ 0	$ 0	$ 0	$ 0
4,136,828	26,614	296,198	1,871,721	15,955,998
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
23,907,344	0	0	0	24,694,406
0	0	0	0	11,069,428
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
28,044,172	26,614	296,198	1,871,721	51,719,832

STATE OF OKLAHOMA
COMBINING BALANCE SHEET (BY FUNCTION)
SPECIAL REVENUE FUND
JUNE 30, 1989

	GOVERNMENT	EDUCATION	TRANSPORTATION
Fund balance:			
Reserved:			
Encumbrances and contracts	$ 239,672	$ 0	$ 217,612,543
Less amount reimbursed by federal government	0	0	(131,815,922)
Loans to students	0	0	0
Inventories	0	0	10,385,529
Insurance losses	0	0	0
Actuarial present value of accumulated retirement plan benefits	0	0	0
Excess (deficit) actuarial accumulated retirement benefits over net assets available	0	0	0
Permanent trust	0	0	0
Unemployed benefits	0	0	0
Other	0	0	0
Unreserved:			
Designated	0	0	15,937
Designated for debt service	0	0	0
Undesignated	5,435,587	2,243,650	80,208,484
Total fund balance	5,675,259	2,243,650	176,406,571
TOTAL LIABILITIES AND FUND BALANCE	$ 5,678,888	$ 2,802,840	$ 197,324,879

HEALTH AND SOCIAL SERVICES	LAW, JUSTICE AND PUBLIC SAFETY	RECREATION AND NATURAL RESOURCES	REGULATORY SERVICES	TOTAL
$ 0	$ 170,269	$ 335,921	$ 980,935	$ 219,339,340
0	0	0	0	(131,815,922)
0	0	0	0	0
0	0	0	0	10,385,529
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	15,937
0	0	0	17,364,530	17,364,530
(881,358)	1,091,445	1,040,475	3,761,598	92,899,881
(881,358)	1,261,714	1,376,396	22,107,063	208,189,295
$ 27,162,814	$ 1,288,328	$ 1,672,594	$ 23,978,784	$ 259,909,127

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BY FUNCTION)
SPECIAL REVENUE FUND
JUNE 30, 1989

	GENERAL GOVERNMENT	EDUCATION	TRANSPORTATION
REVENUES:			
Taxes	$ 11,162,312	$ 0	$ 236,456,215
Licenses, fees and permits	474,859	381,000	0
Income from money and property	0	144,000	0
Federal funds	0	0	222,073,651
Other	0	15,312	19,098,389
TOTAL REVENUES	11,637,171	540,312	477,628,255
EXPENDITURES:			
General government	4,602,890	0	0
Education	0	14,014	0
Transportation	0	0	473,842,380
Health and social services	0	0	0
Law, justice and public safety	0	0	0
Recreation and natural resources	0	0	0
Regulatory services	0	0	0
Principal retirement	0	0	0
Other	0	0	0
TOTAL EXPENDITURES	4,602,890	14,014	473,842,380
EXCESS REVENUES OVER (UNDER) EXPENDITURES	7,034,281	526,298	3,785,875
OTHER FINANCING SOURCES (USES)			
Transfers in	1,111,952	1,536,000	0
Transfers out	(5,466,951)	(220,000)	0
State appropriations	0	0	9,810,184
TOTAL OTHER FINANCING SOURCES (USES)	(4,354,999)	1,316,000	9,810,184
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	2,679,282	1,842,298	13,596,059
FUND BALANCE, JULY 1, 1988	2,995,977	401,352	162,810,512
Adjustment of Prior Periods	0	0	0
FUND BALANCE, JUNE 30, 1989	$ 5,675,259	$ 2,243,650	$ 176,406,571

HEALTH AND SOCIAL SERVICES	LAW, JUSTICE AND PUBLIC SAFETY	RECREATION AND NATURAL RESOURCES	REGULATORY SERVICES	TOTAL
$ 7,487,613	$ 307,239	$ 106,519	$ 212,098	$ 255,731,996
0	42,600	11,699,244	8,593,677	21,191,380
0	5,400	434,471	244,994	828,865
41,443,678	5,579,174	4,826,137	69,834,831	343,757,471
1,780,704	534,608	1,608,023	34,918,985	57,956,021
50,711,995	6,469,021	18,674,394	113,804,585	679,465,733
0	0	0	0	4,602,890
0	0	0	0	14,014
0	0	0	0	473,842,380
49,672,243	0	0	0	49,672,243
0	8,676,174	0	0	8,676,174
0	0	20,633,500	0	20,633,500
0	0	0	116,603,410	116,603,410
0	0	0	0	0
0	0	0	0	0
49,672,243	8,676,174	20,633,500	116,603,410	674,044,611
1,039,752	(2,207,153)	(1,959,106)	(2,798,825)	5,421,122
812,650	3,172,467	70,327	391,182	7,094,578
(4,192,958)	(3,075,624)	(70,327)	(404,492)	(13,430,352)
1,500,000	442,665	0	0	11,752,849
(1,880,308)	539,508	0	(13,310)	5,417,075
(840,556)	(1,667,645)	(1,959,106)	(2,812,135)	10,838,197
(40,802)	2,929,359	3,335,502	24,919,198	197,351,098
0	0	0	0	0
$ (881,358)	$ 1,261,714	$ 1,376,396	$ 22,107,063	$ 208,189,295

STATE OF OKLAHOMA
BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 1989

ASSETS	
Cash	$ 891,810
Investments	0
TOTAL ASSETS	$ 891,810
FUND EQUITY	
Fund balance - unreserved	$ 0
Designated for debt service	891,810
TOTAL FUND EQUITY	$ 891,810

STATE OF OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
JUNE 30, 1989

REVENUES:	
Taxes	$ 12,163,318
Interest on money and property	457,535
TOTAL REVENUES	12,620,853
EXPENDITURES:	
Principal retirement	12,396,068
Other charges and payments	8,290,696
TOTAL EXPENDITURES	20,686,764
EXCESS OF REVENUES OVER EXPENDITURES	(8,065,911)
OTHER FINANCING SOURCES (USES):	
Transfers in	0
Transfers out	0
TOTAL OTHER FINANCING SOURCES (USES)	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND USES	(8,065,911)
FUND BALANCE, JULY 1, 1988	8,957,721
FUND BALANCE, JUNE 30, 1989	$ 891,810

STATE OF OKLAHOMA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 1989

ASSETS	GRAND RIVER DAM AUTHORITY	OKLAHOMA TURNPIKE AUTHORITY	OKLAHOMA STUDENT LOAN AUTHORITY	OKLAHOMA DEPARTMENT OF TOURISM - FIVE ORIGINAL LODGES
Current Assets:				
Cash and cash equivalents	$ 0	$ 3,296,406	$ 0	$ 1,218,622
Cash and investments, restricted	87,562,468	0	66,335,850	0
Investments	0	67,717,291	0	0
Accounts receivable	15,401,503	566,636	0	461,746
Notes receivable due within one year	0	0	0	0
Due from other funds	0	24,486,925	0	0
Inventories	16,099,989	0	0	129,418
Prepaid expenses	561,533	83,703	0	20,328
Other assets	2,046,757	2,525,554	0	0
Total Current Assets	121,672,250	98,676,515	66,335,850	1,830,114
Non-Current Assets:				
Long-term notes receivable, net, restricted	0	0	72,951,491	0
Long-term notes receivable, net	0	0	0	0
Long-term investments	0	0	0	0
Long-term investments, restricted	0	0	0	0
Property, plant and equipment, net	678,346,669	331,585,205	0	10,263,027
Restricted assets	217,343,936	0	0	0
Other assets	197,078,680	0	0	0
Total Non-Current Assets	1,092,769,285	331,585,205	72,951,491	10,263,027
Total Assets	$ 1,214,441,535	$ 430,261,720	$ 139,287,341	$ 12,093,141

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY	STATE INSURANCE FUND	OKLAHOMA MEDICAL CENTER	WATER RESOURCES BOARD - SERIES 1985	WATER RESOURCES BOARD - SERIES 1986A	OKLAHOMA MUNICIPAL POWER AUTHORITY	TOTAL
$ 839,853	$ 982,601	$ 19,495,412	$ 1,029,054	$ 7,328,224	$ 2,429,710	$ 36,619,882
11,370,213	0	5,978,926	0	0	33,565,473	204,812,930
14,886,690	298,356,773	0	0	0	16,870,589	397,831,343
0	16,713,821	39,996,123	0	0	7,748,210	80,888,039
2,016,994	0	0	63,026	744,350	0	2,824,370
0	30,978	1,014,617	0	0	0	25,532,520
0	0	4,340,403	0	0	2,426,865	22,996,675
0	0	0	0	0	0	665,564
746,908	1,210,079	0	2,323,135	436,808	481,100	9,770,341
29,860,658	317,294,252	70,825,481	3,415,215	8,509,382	63,521,947	781,941,664
31,623,947	0	0	0	0	0	104,575,438
0	0	0	3,520,329	37,719,900	0	41,240,229
0	0	0	44,794,185	0	0	44,794,185
0	0	0	7,500,000	6,247,500	0	13,747,500
54,350	2,609,126	133,954,165	0	0	140,309,056	1,297,121,598
6,844	0	87,189	0	0	42,916,173	260,354,142
335,882	0	361,802	266,329	231,680	42,678,627	240,953,000
32,021,023	2,609,126	134,403,156	56,080,843	44,199,080	225,903,856	2,002,786,092
$ 61,881,681	$ 319,903,378	$ 205,228,637	$ 59,496,058	$ 52,708,462	$ 289,425,803	$ 2,784,727,756

STATE OF OKLAHOMA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 1989

	GRAND RIVER DAM AUTHORITY	OKLAHOMA TURNPIKE AUTHORITY	OKLAHOMA STUDENT LOAN AUTHORITY	OKLAHOMA TOURISM DEPARTMENT - FIVE ORIGINAL LODGES
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	$ 15,558,983	$ 5,679,573	$ 0	$ 486,322
Notes payable	0	0	90,000	0
Unpaid losses and loss expenses	0	0	0	0
Due to Motor Fuel Tax Trust Fund	0	24,486,925	0	0
Revenue bonds payable	10,300,000	0	0	0
General obligation bonds payable	0	0	0	0
Premium deposits, unearned premiums, etc.	0	0	0	0
Other liabilities	163,554	0	175,057	272,853
Total Current Liabilities	26,022,537	30,166,498	265,057	759,175
Non-Current Liabilities:				
Accounts payable from construction fund	14,288,814	0	0	0
Notes payable	0	0	84,046,840	0
Refundable motor fuels tax	0	51,380,969	0	0
General obligation bonds payable	0	0	0	0
Revenue bonds payable	1,101,553,933	160,075,000	35,200,000	0
Other liabilities	2,726,875	0	0	0
Total Non-Current Liabilities	1,118,569,622	211,455,969	119,246,840	0
Total Liabilities	1,144,592,159	241,622,467	119,511,897	759,175
Net Unrealized Loss on Securities	0	0	0	0
Fund Equity:				
Contributed capital	0	0	0	5,082,712
Retained earnings:				
Reserved	0	0	19,775,444	0
Unreserved	69,849,376	188,639,253	0	6,251,254
Total Fund Equity	69,849,376	188,639,253	19,775,444	11,333,966
Total Liabilities and Fund Equity	$ 1,214,441,535	$ 430,261,720	$ 139,287,341	$ 12,093,141

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY	STATE INSURANCE FUND	OKLAHOMA MEDICAL CENTER	WATER RESOURCES BOARD - BOND SERIES 1985	WATER RESOURCES BOARD - BOND SERIES 1986A	OKLAHOMA MUNICIPAL POWER AUTHORITY	TOTAL
$ 929,085	$ 2,253,279	$ 4,690,277	$ 2,411,552	$ 1,573,403	$ 16,125,051	$ 49,707,525
0	0	0	0	0	0	90,000
0	248,915,507	0	0	0	0	248,915,507
0	0	0	0	0	0	24,486,925
0	0	0	0	0	0	10,300,000
85,000	0	0	0	0	0	85,000
0	18,693,898	0	0	0	0	18,693,898
235,213	0	14,053,998	695,000	0	2,000,000	17,595,675
1,249,298	269,862,684	18,744,275	3,106,552	1,573,403	18,125,051	369,874,530
0	0	0	0	0	0	14,288,814
0	0	0	0	0	0	84,046,840
0	0	0	0	0	0	51,380,969
54,660,000	0	0	0	0	0	54,660,000
0	0	0	47,670,000	41,201,013	259,001,214	1,644,701,160
3,828	0	5,557,561	0	0	7,700,000	15,988,264
54,663,828	0	5,557,561	47,670,000	41,201,013	266,701,214	1,865,066,047
55,913,126	269,862,684	24,301,836	50,776,552	42,774,416	284,826,265	2,234,940,577
0	(7,714,814)	0	0	0	0	(7,714,814)
0	0	0	0	0	0	5,082,712
1,338,910	21,950,000	237,068	7,500,000	7,263,089	4,599,538	62,654,049
4,629,645	35,805,508	180,689,733	1,219,506	2,670,957	0	489,755,232
5,968,555	50,040,694	180,926,801	8,719,506	9,934,046	4,599,538	549,787,179
$ 61,881,681	$ 319,903,378	$ 205,228,637	$ 59,496,058	$ 52,708,462	$ 289,425,803	$ 2,784,727,756

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	GRAND RIVER DAM AUTHORITY	OKLAHOMA TURNPIKE AUTHORITY	OKLAHOMA STUDENT LOAN AUTHORITY	OKLAHOMA DEPARTMENT OF TOURSIM - FIVE ORIGINAL LODGES
Revenues:				
Charge for sales and services	$ 143,345,260	$ 50,073,134	$ 0	$ 6,958,488
Interest income	27,557,293	4,600,821	9,849,854	0
Sale of investments	0	125,843,800	0	0
Other income	940,932	0	1,244,485	0
Total Revenues	171,843,485	180,517,755	11,094,339	6,958,488
Expenses:				
Operations and maintenance of facilities	62,741,705	127,275,622	0	5,149,484
Unpaid losses and loss expense	0	0	0	0
Interest and debt expense	88,293,424	8,741,407	7,119,853	0
Administrative and general expense	7,400,647	32,778,055	1,480,947	1,327,927
Depreciation expense	22,954,664	0	0	2,096,691
Other expense	0	10,188,846	0	542,228
Total Expenses	181,390,440	178,983,930	8,600,800	9,116,330
Income (Loss) Before Operating Transfers	(9,546,955)	1,533,825	2,493,539	(2,157,842)
Operating Transfers In (Out)	0	0	0	2,463,923
Costs to be Recovered from Future Revenues	23,188,121	0	0	0
Net Income (Loss)	13,641,166	1,533,825	2,493,539	306,081
Retained Earnings, July 1, 1988	56,208,210	1,762,581	17,281,905	11,027,885
Prior Period Adjustment	0	0	0	0
Retained Earnings, June 30, 1989	$ 69,849,376	$ 3,296,406	$ 19,775,444	$ 11,333,966

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY	STATE INSURANCE FUND	OKLAHOMA MEDICAL CENTER	WATER RESOURCES BOARD - BOND SERIES 1985	WATER RESOURCES BOARD - BOND SERIES 1986A	OKLAHOMA MUNICIPAL POWER AUTHORITY	TOTALS
$ 0	$ 88,808,629	$ 126,454,352	$ 0	$ 0	$ 65,550,300	$ 481,190,163
4,055,432	22,281,295	0	5,017,564	4,267,099	5,252,391	82,881,749
0	(11,438)	0	0	0	0	125,832,362
109,562	82,646	1,378,391	0	0	0	3,756,016
4,164,994	111,161,132	127,832,743	5,017,564	4,267,099	70,802,691	693,660,290
0	0	107,922,410	0	0	53,885,145	356,974,366
0	100,477,908	0	0	0	0	100,477,908
2,911,017	0	0	4,245,820	2,742,189	14,337,537	128,391,247
931,401	9,413,811	46,633,669	0	0	1,929,883	101,896,340
5,175	353,343	10,186,020	0	0	4,788,424	40,384,317
50,000	1,426,800	0	312,841	333,365	0	12,854,080
3,897,593	111,671,862	164,742,099	4,558,661	3,075,554	74,940,989	740,978,258
267,401	(510,730)	(36,909,356)	458,903	1,191,545	(4,138,298)	(47,317,968)
0	0	34,292,332	(731,420)	(252,493)	0	35,772,342
0	0	0	0	0	5,000,876	28,188,997
267,401	(510,730)	(2,617,024)	(272,517)	939,052	862,578	16,643,371
5,701,154	59,390,143	183,543,825	8,992,023	8,994,994	3,736,960	356,639,680
0	(8,838,719)	0	0	0	0	(8,838,719)
$ 5,968,555	$ 50,040,694	$ 180,926,801	$ 8,719,506	$ 9,934,046	$ 4,599,538	$ 364,444,332

STATE OF OKLAHOMA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	GRAND RIVER DAM AUTHORITY	OKLAHOMA TURNPIKE AUTHORITY	OKLAHOMA STUDENT LOAN AUTHORITY	OKLAHOMA DEPARTMENT OF TOURISM-FIVE ORIGINAL LODGES	OKLAHOMA INDUSTRIAL FINANCE AUTHORITY
Net Cash Flows from Operating Activites	$ 35,522,607	$ 21,692,704	$ (39,273)	$ 454,156	$ 736,294
Net Cash Flows from Investing Activities	72,311,567	(7,343,881)	0	(184,605)	(21,838,345)
Net Cash Flows from Financing Activities	(130,379,419)	(12,814,998)	31,715,144	0	19,743,915
Net Increase (Decrease) in Cash	(22,545,245)	1,533,825	31,675,871	269,551	(1,358,136)
Cash Balance, July 1, 1988	47,374,626	1,762,581	34,659,979	949,071	2,911,763
Cash Balance June 30, 1989	$ 24,829,381	$ 3,296,406	$ 66,335,850	$ 1,218,622	$ 1,553,627

STATE INSURANCE FUND	OKLAHOMA MEDICAL CENTER	WATER RESOURCES BOARD-BOND SERIES 1985	WATER RESOURCES BOARD-BOND SERIES 1986A	OKLAHOMA MUNICIPAL POWER AUTHORITY	TOTAL
$ 13,634,236	$ 10,975,550	$ 849,383	$ 2,674,032	$ 1,122,480	$ 87,622,169
(13,680,688)	(9,955,292)	592,668	3,232,074	(13,724,022)	9,409,476
0	(438,091)	(1,341,420)	(252,492)	0	(93,767,361)
(46,452)	582,167	100,631	5,653,614	(12,601,542)	3,264,284
1,029,053	18,913,245	928,423	1,674,610	20,955,117	131,158,468
$ 982,601	$ 19,495,412	$ 1,029,054	$ 7,328,224	$ 8,353,575	$ 134,422,752

STATE OF OKLAHOMA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1989

	CAPITOL IMPROVEMENT AUTHORITY	DEPARTMENT OF CORRECTIONS - OKLAHOMA STATE INDUSTRIES	OFFICE OF STATE FINANCE - CENTREX
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 2,064,480	$ 877,291	$ 1,193,321
Cash and temporary investments, restricted	1,753,266	0	542,504
Prepaid expenses	16,028	0	0
Accounts receivable	313,068	1,623,024	1,134,830
Inventory	0	5,096,980	0
Total current assets	4,146,842	7,597,295	2,870,655
Non-Current Assets:			
Property, plant and equipment, net	29,109,635	0	0
Accounts receivable - non-current	0	0	0
Total non-current assets	29,109,635	0	0
TOTAL ASSETS	$ 33,256,477	$ 7,597,295	$ 2,870,655
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	$ 734,523	$ 633,289	$ 185,210
Revenue bonds due within one year	1,265,426	0	0
Total current liabilities	1,999,949	633,289	185,210
Non-Current Liabilites:			
Revenue bonds due after one year	29,102,287	0	0
Total liabilities	31,102,236	633,289	185,210
Fund Equity:			
Retained earnings:			
Reserved for bond service	1,753,266	0	0
Reserved for other purposes	0	0	542,504
Unreserved	400,975	6,964,006	2,142,941
Total fund equity	2,154,241	6,964,006	2,685,445
TOTAL LIABILITES AND FUND EQUITY	$ 33,256,477	$ 7,597,295	$ 2,870,655

OFFICE OF PUBLIC AFFAIRS	DEPARTMENT OF TRANSPORTATION	TOTAL
$ 8,188,657	$ 1,708,625	$ 14,032,374
0	0	2,295,770
0	0	16,028
1,405,841	4,929,302	9,406,065
0	0	5,096,980
9,594,498	6,637,927	30,847,217
0	0	29,109,635
0	12,399,250	12,399,250
0	12,399,250	41,508,885
$ 9,594,498	$ 19,037,177	$ 72,356,102
$ 1,184,181	$ 197,629	$ 2,934,832
0	0	1,265,426
1,184,181	197,629	4,200,258
0	0	29,102,287
1,184,181	197,629	33,302,545
0	0	1,753,266
386,336	0	928,840
8,023,981	18,839,548	36,371,451
8,410,317	18,839,548	39,053,557
$ 9,594,498	$ 19,037,177	$ 72,356,102

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	CAPITOL IMPROVEMENT AUTHORITY	DEPARTMENT OF CORRECTIONS - OKLAHOMA STATE INDUSTRIES	OFFICE OF STATE FINANCE - CENTREX
REVENUES:			
Charge for sales and services	$ 43,475	$ 11,070,262	$ 5,405,598
Licenses, Fees, & Permits	0	0	0
Rental Income	6,671,302	0	0
Interest Income	148,263	0	0
Other income	329,618	0	458,564
TOTAL REVENUES	7,192,658	11,070,262	5,864,162
EXPENSES:			
Operation and maintenance of facilities	305,302	1,940,305	4,074,228
Administrative and general expenses	2,268,199	1,997,922	178,031
Depreciation	710,429	0	0
Interest and debt expense	6,007,974	0	0
Other expenses	6,210,670	6,441,823	1,758,071
TOTAL EXPENSES	15,502,574	10,380,050	6,010,330
INCOME (LOSS) BEFORE TRANSFERS	(8,309,916)	690,212	(146,168)
OPERATING TRANSFERS IN (OUT)	575,895	0	(333,333)
NET INCOME (LOSS)	(7,734,021)	690,212	(479,501)
RETAINED EARNINGS, JULY 1, 1988	9,888,262	6,273,794	3,164,946
RETAINED EARNINGS, JUNE 30, 1989	$ 2,154,241	$ 6,964,006	$ 2,685,445

OFFICE OF PUBLIC AFFAIRS	DEPARTMENT OF TRANSPORTATION	TOTAL
$ 7,483,040	$ 0	$ 24,002,375
75,270	0	75,270
2,686,878	4,623,654	13,981,834
0	0	148,263
637,899	15,000	1,441,081
10,883,087	4,638,654	39,648,823
3,144,032	0	9,463,867
2,584,878	0	7,029,030
0	0	710,429
0	0	6,007,974
2,063,268	5,705,409	22,179,241
7,792,178	5,705,409	45,390,541
3,090,909	(1,066,755)	(5,741,718)
(3,152,422)	0	(2,909,860)
(61,513)	(1,066,755)	(8,651,578)
8,471,830	19,906,303	47,705,135
$ 8,410,317	$ 18,839,548	$ 39,053,557

STATE OF OKLAHOMA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	CAPITOL IMPROVEMENT AUTHORITY	DEPARTMENT OF CORRECTIONS - OKLAHOMA STATE INDUSTRIES	OFFICE OF STATE FINANCE - CENTREX	OFFICE OF PUBLIC AFFAIRS
NET CASH FLOWS FROM OPERATING ACTIVITES	$(7,743,097)	$ (225,088)	$ (977,424)	$ 4,673,846
NET CASH FLOWS FROM INVESTING ACTIVITIES	710,430	0	0	302,714
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,284,574	0	0	0
NET INCREASE (DECREASE) IN CASH	(5,748,093)	(225,088)	(977,424)	4,976,560
CASH BALANCE, JULY 1, 1988	9,565,839	1,102,379	2,713,249	3,212,097
CASH BALANCE, JUNE 30, 1989	$ 3,817,746	$ 877,291	$ 1,735,825	$ 8,188,657

DEPARTMENT OF TRANSPORTATION	TOTAL
$ (880,293)	$ (5,152,056)
0	1,013,144
0	1,284,574
(880,293)	(2,854,338)
2,588,918	19,182,482
$ 1,708,625	$ 16,328,144

STATE OF OKLAHOMA
COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
JUNE 30, 1989

	PENSION FUNDS	NONEXPENDABLE TRUST FUND
ASSETS		
Cash and cash equivalents	$ 12,564,795	$ 3,603,000
Cash on deposit with U.S. Treasury	0	0
Investments, at amortized cost	3,414,695,561	406,532,000
Investments, at fair market value	776,800,897	0
Accrued interest receivable	51,045,481	0
Other receivables	56,123,037	158,472,000
Deposits with claim administrators	0	0
Due from other funds	447,749	0
Inventories	0	0
Property, plant and equipment, net	759,761	0
Other assets	11,119,656	4,616,000
TOTAL ASSETS	$ 4,323,556,937	$ 573,223,000
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	$ 0	$ 0
Warrants payable	0	0
Funds held in custody for others	0	0
Deferred revenues	0	2,313,000
Other liabilities	61,289,293	0
Total liabilities	61,289,293	2,313,000
Fund Balance:		
Reserved for:		
Unemployment benefits	0	0
Permanent trust	0	551,386,000
Net assets available for benefits	4,262,267,644	0
Unreserved and undesignated	0	19,524,000
Total fund balance	4,262,267,644	570,910,000
TOTAL LIABILITIES AND FUND BALANCE	$ 4,323,556,937	$ 573,223,000

EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
$ 8,584,481	$ 479,886,658	$ 504,638,934
198,146,825	0	198,146,825
0	0	3,821,227,561
134,841,793	0	911,642,690
0	0	51,045,481
9,708,693	0	224,303,730
2,500,000	0	2,500,000
0	27,308	475,057
0	36,626,544	36,626,544
0	0	759,761
0	0	15,735,656
$ 353,781,792	$ 516,540,510	$ 5,767,102,239
$ 125,332,967	$ 0	$ 125,332,967
2,051,301	0	2,051,301
0	516,540,510	516,540,510
641,392	0	~~2,954,392~~
0	0	61,289,293
128,025,660	516,540,510	708,168,463
198,860,309	0	198,860,309
0	0	551,386,000
0	0	4,262,267,644
26,895,823	0	46,419,823
225,756,132	0	5,058,933,776
$ 353,781,792	$ 516,540,510	$ 5,767,102,239

STATE OF OKLAHOMA
COMBINING STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
PENSION TRUST FUNDS
JUNE 30, 1989

	TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA	OKLAHOMA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	OKLAHOMA FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM
Assets:			
Cash	$ 10,897,888	$ 1,322,359	$ 154,397
Investments, at fair market value	0	0	402,421,897
Investments, at cost	1,835,240,228	1,403,581,178	0
Dividends and interest receivable	25,024,277	14,440,121	5,732,151
Contributions receivable	0	13,569,747	649,960
Due from brokers	12,570,705	23,197,053	1,860,955
Due from other funds	0	0	0
Other assets	10,636,149	483,507	0
Plant, property, and equipment	719,767	0	39,994
Accrued income	0	0	0
Total assets	1,895,089,014	1,456,593,965	410,859,354
Liabilities:			
Due to brokers	16,343,073	17,050,863	2,575,887
Benefits in the process of payment	22,492,562	0	4,507
Other liabilities	0	0	333,571
Total liabilities	38,835,635	17,050,863	2,913,965
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,856,253,379	$ 1,439,543,102	$ 407,945,389

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM	OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM	JUSTICES AND JUDGES RETIREMENT SYSTEM	TOTAL
$ 161,000	$ 3,556	$ 25,595	$ 12,564,795
374,379,000	0	0	776,800,897
0	136,629,740	39,244,415	3,414,695,561
3,679,000	1,575,611	594,321	51,045,481
558,000	407,641	1,054,096	16,239,444
713,000	883,353	658,527	39,883,593
0	447,749	0	447,749
0	0	0	11,119,656
0	0	0	759,761
0	0	0	0
379,490,000	139,947,650	41,576,954	4,323,556,937
0	2,383,180	0	38,353,003
0	0	0	22,497,069
0	105,650	0	439,221
0	2,488,830	0	61,289,293
$ 379,490,000	$ 137,458,820	$ 41,576,954	$ 4,262,267,644

STATE OF OKLAHOMA
COMBINING STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA	OKLAHOMA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
ADDITIONS:		
Investment income	$ 135,435,087	$ 93,810,651
Contributions	233,362,744	133,226,730
Sale of investments	11,688,569	6,948,413
Other income	0	0
TOTAL ADDITIONS	380,486,400	233,985,794
DEDUCTIONS:		
Benefit payments	265,550,823	99,070,128
Refunds	18,334,612	2,340,999
Administrative expense	1,653,034	1,232,462
Interest expense	0	0
Other expenses	36,300,000	0
TOTAL DEDUCTIONS	321,838,469	102,643,589
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	58,647,931	131,342,205
NET ASSETS AVAILABLE FOR PLAN BENEFITS, JULY 1, 1988	1,797,605,448	1,308,200,897
NET ASSETS AVAILABLE FOR PLAN BENEFITS, JUNE 30, 1989	$ 1,856,253,379	$ 1,439,543,102

OKLAHOMA FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM	OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM	JUSTICES AND JUDGES RETIREMENT SYSTEM	TOTAL
$ 48,568,300	$ 54,205,000	$ 9,236,434	$ 2,819,519	$ 344,074,991
45,743,995	26,783,000	14,403,840	4,398,228	457,918,537
0	0	2,319,406	516,619	21,473,007
33,611	0	0	0	33,611
94,345,906	80,988,000	25,959,680	7,734,366	823,500,146
36,804,104	18,683,000	9,284,939	2,114,662	431,507,656
370,846	986,000	171,602	54,318	22,258,377
465,734	1,278,000	117,287	76,794	4,823,311
0	0	0	0	0
0	0	0	0	36,300,000
37,640,684	20,947,000	9,573,828	2,245,774	494,889,344
56,705,222	60,041,000	16,385,852	5,488,592	328,610,802
351,240,167	319,449,000	121,072,968	36,088,362	3,933,656,842
$ 407,945,389	$ 379,490,000	$ 137,458,820	$ 41,576,954	$ 4,262,267,644

STATE OF OKLAHOMA
BALANCE SHEET
NONEXPENDABLE TRUST FUND
JUNE 30, 1989

	COMMISSIONERS OF THE LAND OFFICE
ASSETS	
Cash	$ 3,603,000
Investments	406,532,000
Other receivables	158,472,000
Accrued interest receivable	0
Land and repossessed property	4,616,000
TOTAL ASSETS	$ 573,223,000
LIABILITIES AND FUND BALANCE	
Liabilities:	
Deferred revenue	$ 2,313,000
Total liabilities	2,313,000
Fund balance:	
Reserved for permanent trust	551,386,000
Unreserved	19,524,000
Total fund balance	570,910,000
TOTAL LIABILITIES AND FUND BALANCE	$ 573,223,000

STATE OF OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
NONEXPENDABLE TRUST FUND
JUNE 30, 1989

	COMMISSIONERS OF THE LAND OFFICE
REVENUES:	
Interest and investment income	$ 66,853,000
Sale of investments	2,247,000
Rental income	7,658,000
Other revenues	117,000
TOTAL REVENUES	76,875,000
EXPENSES:	
Benefit payments	50,461,000
TOTAL EXPENSES	50,461,000
INCOME (LOSS) BEFORE OPERATING TRANSFERS	26,414,000
OPERATING TRANSFERS IN (OUT)	(3,221,000)
NET INCOME (LOSS)	23,193,000
RETAINED EARNINGS, JULY 1, 1988	547,717,000
RETAINED EARNINGS, JUNE 30, 1989	$ 570,910,000

STATE OF OKLAHOMA
STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 1989

	COMMISSIONERS OF THE LAND OFFICE
Net cash flows from operating activities	$ 19,010,000
Net cash flows from investing activities	(35,805,000)
Net cash flows from financing activities	0
Net increase (decrease) in cash	(16,795,000)
Cash balance, July 1, 1988	20,398,000
Cash balance, June 30, 1989	$ 3,603,000

STATE OF OKLAHOMA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 1989

	OKLAHOMA EMPLOYMENT SECURITY COMMISSION	OKLAHOMA STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD
ASSETS		
Cash	$ 2,764,785	$ 2,076,696
Cash on deposit with U.S. Treasury	198,146,825	0
Investments	0	134,841,793
Other receivables	0	9,708,693
Deposits with claim administrators	0	2,500,000
TOTAL ASSETS	$ 200,911,610	$ 149,127,182
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	$ 0	$ 124,802,967
Warrants payable	2,051,301	0
Deferred revenue	0	641,392
Total liabilities	2,051,301	125,444,359
Fund balance:		
Reserved for:		
Unemployment benefits	198,860,309	0
Unreserved:		
Undesignated	0	23,682,823
Total fund balance	198,860,309	23,682,823
TOTAL LIABILITIES AND FUND BALANCE	$ 200,911,610	$ 149,127,182

COMMISSIONERS OF THE LAND OFFICE	TOTAL
$ 3,743,000	$ 8,584,481
0	198,146,825
0	134,841,793
0	9,708,693
0	2,500,000
$ 3,743,000	$ 353,781,792
$ 530,000	$ 125,332,967
0	2,051,301
0	641,392
530,000	128,025,660
0	198,860,309
3,213,000	26,895,823
3,213,000	225,756,132
$ 3,743,000	$ 353,781,792

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EXPENDABLE TRUST FUNDS
JUNE 30, 1989

	OKLAHOMA EMPLOYMENT SECURITY COMMISSION	OKLAHOMA STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD
REVENUES:		
Taxes	$ 192,014,000	$ 0
Federal government	2,842,773	0
Income from money and property	11,935,268	9,748,326
Insurance premiums	0	135,950,684
TOTAL REVENUES	206,792,041	145,699,010
EXPENDITURES:		
General government	0	178,202,669
Education	0	0
Health and social services	118,091,853	0
TOTAL EXPENDITURES	118,091,853	178,202,669
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	88,700,188	(32,503,659)
OTHER FINANCING SOURCES (USES):		
Transfers in (including appropriations)	0	0
Transfers out	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	88,700,188	(32,503,659)
FUND BALANCE, JULY 1, 1988	110,160,121	56,186,482
FUND BALANCE, JUNE 30, 1989	$ 198,860,309	$ 23,682,823

COMMISSIONERS OF THE LAND OFFICE	TOTAL
$ 0	$ 192,014,000
0	2,842,773
416,000	22,099,594
0	135,950,684
416,000	352,907,051
0	178,202,669
4,552,000	4,552,000
0	118,091,853
4,552,000	300,846,522
(4,136,000)	52,060,529
3,441,000	3,441,000
(1,536,000)	(1,536,000)
1,905,000	1,905,000
(2,231,000)	53,965,529
5,444,000	171,790,603
$ 3,213,000	$ 225,756,132

STATE OF OKLAHOMA
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 1989

	DEFERRED COMPENSATION	STATE TREASURER	TAX COMMISSION
ASSETS			
Cash and Investments	$ 69,502,372	$ 29,082,653	$ 370,270,595
Inventories	0	0	0
Due from other funds	0	0	0
TOTAL ASSETS	$ 69,502,372	$ 29,082,653	$ 370,270,595
LIABILITIES			
Due to others	$ 69,502,372	$ 29,082,653	$ 370,270,595
TOTAL LIABILITIES	$ 69,502,372	$ 29,082,653	$ 370,270,595

DEPARTMENT OF HUMAN SERVICES	OFFICE OF PUBLIC AFFAIRS	DEPARTMENT OF CORRECTIONS	OSF - CANCELLED WARRANT FUND	TOTAL
$ 6,587,499	$ 23,110	$ 2,874,008	$ 1,546,421	$ 479,886,658
36,626,544	0	0	0	36,626,544
0	27,308	0	0	27,308
$ 43,214,043	$ 50,418	$ 2,874,008	$ 1,546,421	$ 516,540,510
$ 43,214,043	$ 50,418	$ 2,874,008	$ 1,546,421	$ 516,540,510
$ 43,214,043	$ 50,418	$ 2,874,008	$ 1,546,421	$ 516,540,510

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION
FUND TYPE
CURRENT FUNDS - UNRESTRICTED
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 60,947,714	$ 27,130,694	$ 30,116,553	$ 118,194,961
Certificates of deposit	21,985,901	0	779,000	22,764,901
Investments, at cost	20,086,904	2,295,219	2,238,284	24,620,407
Deposits	0	0	0	0
Accounts receivable	27,182,993	2,197,750	1,019,097	30,399,840
Accrued interest receivable	338,253	94,925	30,345	463,523
Inventories	12,155,986	4,090,088	2,238,985	18,485,059
Prepaid expenses	1,244,348	0	71,995	1,316,343
Due from agency funds	48,156	23,343	10,912	82,411
Due from current restricted funds	3,801,520	443,396	604,093	4,849,009
Due from plant funds	182,108	0	0	182,108
Due from other funds	2,949,000	33,350	266,327	3,248,677
Insurance proceeds receivable	0	0	137,589	137,589
Retirement annuity	0	0	451,423	451,423
Other assets	0	15,287	3,071,140	3,086,427
TOTAL ASSETS	$ 150,922,883	$ 36,324,052	$ 41,035,743	$ 228,282,678
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued expenses	$ 16,974,511	$ 3,002,698	$ 3,500,471	$ 23,477,680
Leases payable	0	0	0	0
Lease-purchase contracts payable	6,373,708	0	0	6,373,708
Accrued vacation	15,211,301	331,500	244,746	15,787,547
Deferred revenue	14,202,536	1,243,089	72,175	15,517,800
Student deposits	1,299,188	273,845	116,656	1,689,689
Refundable deposits	0	0	0	0
Due to current unrestricted fund	0	0	97,741	97,741
Due to plant fund	19,727	0	0	19,727
Due to U.S. government	0	0	0	0
Due to other funds	5,203	11,500	72,180	88,883
Supplemental retirement obligation	0	519,351	2,059,963	2,579,314
Other liabilities	0	2,690,227	150,224	2,840,451
Total Liabilities	54,086,174	8,072,210	6,314,156	68,472,540
Fund Balance:				
Unrestricted	96,836,709	28,251,842	34,721,587	159,810,138
Restricted	0	0	0	0
Total Fund Balance	96,836,709	28,251,842	34,721,587	159,810,138
TOTAL LIABILITIES AND FUND BALANCE	$ 150,922,883	$ 36,324,052	$ 41,035,743	$ 228,282,678

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
CURRENT FUNDS - UNRESTRICTED
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
Tuition and fees	$ 67,010,918	$ 37,769,613	$ 18,705,139	$ 123,485,670
Federal appropriations	9,494,474	0	0	9,494,474
State appropriations	234,594,526	94,224,779	66,269,480	395,088,785
Local appropriations	0	0	8,148,195	8,148,195
Federal grants and contracts	7,515,063	0	336,535	7,851,598
State and local grants and contracts	1,442,981	0	0	1,442,981
Private gifts, grants and contracts	6,164,469	27,200	8,976	6,200,645
Sales and services of educational activities	7,017,929	106,296	464,125	7,588,350
Sales and service of professional practice plan	54,872,938	0	0	54,872,938
Other sales, reimbursements, etc.	6,466,382	327,915	168,659	6,962,956
Auxiliary enterprises	101,580,320	37,879,598	21,647,273	161,107,191
Organized activities	0	0	0	0
Farm product sales	0	0	0	0
Tax revenue	0	0	1,594,577	1,594,577
Investment and interest income	0	0	0	0
Other sources	16,039,193	2,409,743	1,395,267	19,844,203
TOTAL REVENUES AND OTHER ADDITIONS	512,199,193	172,745,144	118,738,226	803,682,563
EXPENDITURES AND OTHER DEDUCTIONS:				
Education and general	360,400,643	138,208,542	97,452,436	596,061,621
Auxiliary enterprises and student activities	91,424,829	38,862,231	19,715,586	150,002,646
Professional practice plans and clinics	44,478,744	0	0	44,478,744
Expended for plant facilities	0	0	0	0
Other	0	0	0	0
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	496,304,216	177,070,773	117,168,022	790,543,011
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	15,894,977	(4,325,629)	1,570,204	13,139,552
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY:				
Interfund transfers	0	113,596	5,459	119,055
Principal and interest	(4,610,589)	(995,534)	(568,910)	(6,175,033)
Transfer to retirement of indebtedness	(151,000)	(33,635)	(40,468)	(225,103)
NONMANDATORY:				
Interfund transfers	(4,167,632)	(429,669)	(35,759)	(4,633,060)
Student aid	0	0	0	0
Matching funds for energy grant	0	0	0	0
Retirement of obligation - capital leases	(1,907,523)	0	0	(1,907,523)
Transfer to retirement of indebtedness	(965,000)	0	0	(965,000)
Transfer to plant fund - unexpended	0	0	0	0
Transfer from retirement of indebtedness	0	0	90,950	90,950
TOTAL TRANSFERS AMONG FUNDS	(11,801,744)	(1,345,242)	(548,728)	(13,695,714)
NET INCREASE (DECREASE) FOR THE YEAR	4,093,233	(5,670,871)	1,021,476	(556,162)
FUND BALANCE, JULY 1, 1988	90,445,065	33,508,125	33,700,111	157,653,301
Prior period adjustment	2,298,411	414,588	0	2,712,999
FUND BALANCE, JUNE 30, 1989	$ 96,836,709	$ 28,251,842	$ 34,721,587	$ 159,810,138

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION
FUND TYPE
CURRENT FUNDS - RESTRICTED
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 3,904,726	$ 2,179,394	$ 585,087	$ 6,669,207
Certificates of deposit	0	300,000	0	300,000
Investments, at cost	834,114	243,180	523,314	1,600,608
Deposits	0	0	0	0
Accounts receivable	14,296,356	603,028	1,286,582	16,185,966
Accrued interest receivable	0	6,324	441	6,765
Inventories	9,822	0	0	9,822
Due from other funds	(5,407,365)	0	127,909	(5,279,456)
Other assets	0	47,968	36,973	84,941
TOTAL ASSETS	$ 13,637,653	$ 3,379,894	$ 2,560,306	$ 19,577,853
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued expenses	$ 2,419,210	$ 292,656	$ 393,636	$ 3,105,502
Accrued vacation	876,473	0	552	877,025
Deferred revenue	2,169,882	0	38,439	2,208,321
Student deposits	0	0	0	0
Scholarships unapplied	0	0	0	0
Due to current unrestricted fund	1,342,521	354,553	0	1,697,074
Due to loan funds	0	0	0	0
Due to other funds	0	88,843	785,571	874,414
Other liabilities	27,308	220,853	61,759	309,920
Total Liabilities	6,835,394	956,905	1,279,957	9,072,256
Fund Balance:				
Unrestricted	0	0	0	0
Restricted	6,802,259	2,422,989	1,280,349	10,505,597
Total Fund Balance	6,802,259	2,422,989	1,280,349	10,505,597
TOTAL LIABILITIES AND FUND BALANCE	$ 13,637,653	$ 3,379,894	$ 2,560,306	$ 19,577,853

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
CURRENT FUNDS - RESTRICTED
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
State appropriations	$ 0	$ 0	$ 1,421,285	$ 1,421,285
Federal grants and contracts	66,801,405	28,209,622	12,569,676	107,580,703
State and local grants and contracts	19,787,766	4,827,306	51,325	24,666,397
Private gifts, grants and contracts	15,061,741	0	3,437,546	18,499,287
Sales and services of educational activities	3,701,253	0	0	3,701,253
Other sales, reimbursements, etc.	0	0	0	0
Auxiliary enterprises	0	0	0	0
Student aid	0	0	0	0
Investment and interest income	273,853	15,822	24,017	313,692
Other sources	3,574,334	512,849	16,302	4,103,485
TOTAL REVENUES AND OTHER ADDITIONS	109,200,352	33,565,599	17,520,151	160,286,102
EXPENDITURES AND OTHER DEDUCTIONS:				
Education and general	101,072,123	32,594,642	16,579,747	150,246,512
Auxiliary enterprises and student activities	0	504,214	42,301	546,515
Expended for plant facilities	0	0	0	0
Indirect cost recoveries	9,075,322	0	9,841	9,085,163
Sponsored research	0	0	0	0
Other sponsored programs	37,068	0	314	37,382
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	110,184,513	33,098,856	16,632,203	159,915,572
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	(984,161)	466,743	887,948	370,530
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY:				
Interfund transfers	0	0	(32,563)	(32,563)
Principal and interest	0	0	0	0
Transfers from loan funds	0	0	0	0
NONMANDATORY:				
Interfund transfers	(186,811)	92,937	(33,922)	(127,796)
Student aid	0	0	0	0
Transfers from endowment funds	0	0	0	0
Transfers to plant fund - unexpended	0	0	0	0
Transfer to retirement of indebtedness	0	0	0	0
Excess of restricted receipts over transfers to revenue	0	0	0	0 0
TOTAL TRANSFERS AMONG FUNDS	(186,811)	92,937	(66,485)	(160,359)
NET INCREASE (DECREASE) FOR THE YEAR	(1,170,972)	559,680	821,463	210,171
FUND BALANCE, JULY 1, 1988	7,707,221	2,100,483	458,886	10,266,590
Prior period adjustment	266,010	(237,174)	0	28,836
FUND BALANCE, JUNE 30, 1989	$ 6,802,259	$ 2,422,989	$ 1,280,349	$ 10,505,597

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION
FUND TYPE
LOAN FUNDS
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 625,968	$ 1,596,898	$ 710,016	$ 2,932,882
Account receivable	0	29,994	35,457	65,451
Investments, at cost	3,003,658	173,372	134,974	3,312,004
Accrued interest receivable	0	5,435	23,207	28,642
Loans to students	24,087,788	7,840,808	2,555,393	34,483,989
Due from current restricted funds	0	0	0	0
Due from U.S. government	0	260,822	10,290	271,112
Due from other funds	5,087	11,500	0	16,587
Other assets	0	0	7,920	7,920
TOTAL ASSETS	$ 27,722,501	$ 9,918,829	$ 3,477,257	$ 41,118,587
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 20,000	$ 35,553	$ 346	$ 55,899
Notes payable	0	56,952	0	56,952
Due to foundations	200,000	0	0	200,000
Due to other funds	0	13,625	31,877	45,502
Other liabilities	33,000	0	0	33,000
Allowance for doubtful accounts	0	0	1,930	1,930
Total Liabilities	253,000	106,130	34,153	393,283
Fund Balance:				
Unrestricted	0	0	0	0
Restricted	27,469,501	9,812,699	3,443,104	40,725,304
Total Fund Balance	27,469,501	9,812,699	3,443,104	40,725,304
TOTAL LIABILITIES AND FUND BALANCE	$ 27,722,501	$ 9,918,829	$ 3,477,257	$ 41,118,587

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
LOAN FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
State appropriations	$ 31,741	$ 0	$ 0	$ 31,741
Federal grants and contracts	1,057,228	69,011	143,168	1,269,407
Private gifts, grants and contracts	56,955	3,340	0	60,295
Investment and interest income	1,579,362	741,862	205,769	2,526,993
Government reimbursement for loan collections	0	2,818	0	2,818
Reduction in allowance for doubtful accounts	0	81,613	10,000	91,613
Other sources	390,282	35,376	41,387	467,045
TOTAL REVENUE AND OTHER ADDITIONS	3,115,568	934,020	400,324	4,449,912
EXPENDITURES AND OTHER DEDUCTIONS:				
Cancellations of student loans	535,012	430,693	71,274	1,036,979
Administrative and collection costs	0	326,667	67,005	393,672
Interest on indebtedness	0	114,377	0	114,377
Loans assigned to Federal government	0	134,393	13,809	148,202
Transfer of loan fund	0	0	0	0
Refund of capital to Federal government	0	78,715	42,606	121,321
Bad debts and other	2,424,094	2,514,469	41,000	4,979,563
Other	1,686,969	267,148	37,443	1,991,560
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	4,646,075	3,866,462	273,137	8,785,674
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	(1,530,507)	(2,932,442)	127,187	(4,335,762)
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY:	29,000	0	0	29,000
NONMANDATORY:				
Interfund transfers	277,000	86,507	5,000	368,507
Transfer to current restricted funds	0	0	0	0
TOTAL TRANSFERS AMONG FUNDS	306,000	86,507	5,000	397,507
NET INCREASE (DECREASE) FOR THE YEAR	(1,224,507)	(2,845,935)	132,187	(3,938,255)
FUND BALANCE, JULY 1, 1988	27,858,305	12,658,634	3,310,917	43,827,856
Prior period adjustment	835,703	0	0	835,703
FUND BALANCE, JUNE 30, 1989	$ 27,469,501	$ 9,812,699	$ 3,443,104	$ 40,725,304

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION
FUND TYPE
ENDOWMENT FUNDS
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 1,525,292	$(136,633)	$ 332,577	$ 1,721,236
Certificates of deposit	0	0	28,142	28,142
Investments, at cost	5,290,873	770,030	48,785	6,109,688
Accrued interest receivable	116	2,073	0	2,189
Equity in state school land funds	79,521,112	0	0	79,521,112
TOTAL ASSETS	$ 86,337,393	$ 635,470	$ 409,504	$ 87,382,367
LIABILITIES AND FUND BALANCE				
Liabilities:	$ 11,857	$ 0	$ 23,664	$ 35,521
Total liabilities	11,857	0	23,664	35,521
Fund Balance:				
Endowment	85,140,413	635,470	139,616	85,915,499
Term Endowment	194,419	0	0	194,419
Quasi-Endowment - Unrestricted	381,241	0	0	381,241
Quasi - Endowment - Restricted	609,463	0	246,224	855,687
Total fund balance	86,325,536	635,470	385,840	87,346,846
TOTAL LIABILITIES AND FUND BALANCE	$ 86,337,393	$ 635,470	$ 409,504	$ 87,382,367

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
ENDOWMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
Federal grants and contracts	$ 0	$ 1,375	$ 0	$ 1,375
Private gifts, grants and contracts	87,000	0	0	87,000
Contributions	39,540	0	0	39,540
Investment and interest income	69,631	55,426	8,314	133,371
Gain on sale of investments	0	0	0	0
State school funds;				
Net increase in equity interest	4,318,705	0	0	4,318,705
Distribution of earnings	7,043,535	0	0	7,043,535
TOTAL REVENUE AND OTHER ADDITIONS	11,558,411	56,801	8,314	11,623,526
EXPENDITURES AND OTHER DEDUCTIONS:				
Bad debts	0	0	0	0
Other expenditures	46,437	32,288	0	78,725
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	46,437	32,288	0	78,725
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	11,511,974	24,513	8,314	11,544,801
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
NONMANDATORY:				
Interfund transfers	(2,849,535)	(3,749)	(1,828)	(2,855,112)
Transfers to plant funds - unexpended	(3,794,000)	0	0	(3,794,000)
Transfers to current restricted funds	0	0	0	0
TOTAL TRANSFERS AMONG FUNDS	(6,643,535)	(3,749)	(1,828)	(6,649,112)
NET INCREASE (DECREASE) FOR THE YEAR	4,868,439	20,764	6,486	4,895,689
FUND BALANCE, JULY 1, 1988	81,457,097	614,706	379,354	82,451,157
FUND BALANCE, JUNE 30, 1989	$ 86,325,536	$ 635,470	$ 385,840	$ 87,346,846

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION FUND TYPE
PLANT FUNDS - UNEXPENDED
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 12,006,013	$ 14,516,858	$ 4,518,525	$ 31,041,396
Investments, at cost	8,412,938	892,735	0	9,305,673
Accounts Receivable	45,159	12,395	271,248	328,802
Accrued interest receivable	68,077	27,343	0	95,420
Construction in progress	0	904,884	0	904,884
Deposits with trustee	0	0	492,951	492,951
TOTAL ASSETS	$ 20,532,187	$ 16,354,215	$ 5,282,724	$ 42,169,126
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued expenses	$ 3,758,200	$ 425,298	$ 482,980	$ 4,666,478
Deferred revenue	0	0	31,159	31,159
Revenue bonds payable	1,379,643	178,811	654,116	2,212,570
Premium on bonds payable	0	0	8,528	8,528
Due to current unrestricted funds	182,108	0	0	182,108
Due to other funds	0	0	0	0
Other liabilities	634	10,309	0	10,943
Total Liabilities	5,320,585	614,418	1,176,783	7,111,786
Fund Balance:				
Unrestricted	0	0	0	0
Restricted	15,211,602	15,739,797	4,105,941	35,057,340
Total Fund Balance	15,211,602	15,739,797	4,105,941	35,057,340
TOTAL LIABILITIES AND FUND BALANCE	$ 20,532,187	$ 16,354,215	$ 5,282,724	$ 42,169,126

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
PLANT FUNDS - UNEXPENDED
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
State appropriations	$ 4,387,500	$ 8,040,475	$ 2,245,157	$ 14,673,132
Federal grants and contracts	9,286,135	247,000	0	9,533,135
State and local grants and contracts	0	848,455	1,094,600	1,943,055
Private gifts, grants and contracts	3,204,036	1,035,792	162,295	4,402,123
Investment and interest income	745,941	59,872	95,501	901,314
Auxiliary enterprises and student activities	0	548,957	0	548,957
General obligation bonds	0	0	547,735	547,735
Student center fees	0	0	586,876	586,876
Other	1,954,966	683,836	358,879	2,997,681
TOTAL REVENUE AND OTHER ADDITIONS	19,578,578	11,464,387	5,091,043	36,134,008
EXPENDITURES AND OTHER DEDUCTIONS:				
Expended for plant facilities	32,803,650	4,354,186	4,803,759	41,961,595
Renewals and replacement	0	0	0	0
Administrative and collection costs	0	771,022	854,040	1,625,062
Other	1,244,349	1,237,995	4,598	2,486,942
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	34,047,999	6,363,203	5,662,397	46,073,599
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	(14,469,421)	5,101,184	(571,354)	(9,939,591)
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY:				
Interfund transfers	0	(500,798)	(516,475)	(1,017,273)
Principal and interest	(178,515)	(114,846)	0	(293,361)
Excess funds to funds for retirement of indebtedness	500,000	0	0	500,000
NONMANDATORY:				
Interfund transfers	8,282,437	(364,501)	1,187,200	9,105,136
Transfers from retirement of indebtedness	42,249	0	0	42,249
Transfers from current unrestricted funds	1,153,424	0	0	1,153,424
Transfers from endowment funds	3,793,743	0	0	3,793,743
Transfers from current restricted funds	0	0	0	0
Matching funds for energy grant	0	0	0	0
TOTAL TRANSFERS AMONG FUNDS	13,593,338	(980,145)	670,725	13,283,918
NET INCREASE (DECREASE) FOR THE YEAR	(876,083)	4,121,039	99,371	3,344,327
FUND BALANCE, JULY 1, 1988	16,087,685	11,618,758	4,006,570	31,713,013
Prior period adjustment	0	0	0	0
FUND BALANCE, JUNE 30, 1989	$ 15,211,602	$ 15,739,797	$ 4,105,941	$ 35,057,340

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION FUND TYPE
PLANT FUNDS - RETIREMENT OF INDEBTEDNESS
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 1,051,470	$ 942,981	$ 810,897	$ 2,805,348
Deposits with trustee	0	906,100	3,266,316	4,172,416
Investments, at cost	24,926,761	12,923,049	1,470,632	39,320,442
Accounts receivable	0	0	6,387	6,387
Accrued interest receivable	63,525	186,266	23,334	273,125
Funds held by the foundation	581,928	0	0	581,928
Due from current unrestricted funds	19,727	0	0	19,727
Due from other funds	0	0	0	0
Construction in progress	0	0	0	0
TOTAL ASSETS	$ 26,643,411	$ 14,958,396	$ 5,577,566	$ 47,179,373
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued expenses	$ 0	$ 75,549	$ 0	$ 75,549
Deferred revenue	0	0	0	0
Revenue bonds payable	0	0	0	0
Accrued interest payable	1,198,741	108,509	221,984	1,529,234
Total Liabilities	1,198,741	184,058	221,984	1,604,783
Fund Balance:				
Unrestricted	0	0	0	0
Restricted	25,444,670	14,774,338	5,355,582	45,574,590
Total Fund Balance	25,444,670	14,774,338	5,355,582	45,574,590
TOTAL LIABILITIES AND FUND BALANCE	$ 26,643,411	$ 14,958,396	$ 5,577,566	$ 47,179,373

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
PLANT FUNDS - RETIREMENT OF INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
State appropriations	$ 0	$ 0	$ 3,804	$ 3,804
Private gifts, grants and contracts	0	0	12,774	12,774
Investment and interest income	1,524,353	972,930	403,630	2,900,913
Student fees	0	0	543,000	543,000
STEP monies pledged for debt service	(81,817)	0	0	(81,817)
Other	6,495	6,164	38,232	50,891
TOTAL REVENUE AND OTHER ADDITIONS	1,449,031	979,094	1,001,440	3,429,565
EXPENDITURES AND OTHER DEDUCTIONS:				
Retirement of indebtedness	5,319,832	1,602,525	491,000	7,413,357
Interest on indebtedness	6,505,748	499,339	970,859	7,975,946
Administrative and collection costs	0	33,260	5,275	38,535
Loan cancellations	0	0	0	0
Retirement of obligation - capital leases	0	0	0	0
Other	44,483	15,562	31,984	92,029
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	11,870,063	2,150,686	1,499,118	15,519,867
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	(10,421,032)	(1,171,592)	(497,678)	(12,090,302)
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY:				
Interfund transfers	(380,944)	(222,497)	511,091	(92,350)
Principal and interest	5,170,048	1,110,380	(284,733)	5,995,695
Excess funds from unexpended plant fund	(500,000)	0	94,762	(405,238)
NONMANDATORY:				
Interfund transfers	1,388,760	335,445	(41,173)	1,683,032
Transfers to current unrestricted funds	0	0	(90,950)	(90,950)
Transfers to retirement of indebtedness	0	0	0	0
Transfers from current unrestricted fund	1,087,807	0	0	1,087,807
Capital lease payments	1,526,579	0	0	1,526,579
TOTAL TRANSFERS AMONG FUNDS	8,292,250	1,223,328	188,997	9,704,575
NET INCREASE (DECREASE) FOR THE YEAR	(2,128,782)	51,736	(308,681)	(2,385,727)
FUND BALANCE, JULY 1, 1988	27,573,452	14,722,602	5,664,263	47,960,317
Adjustment - reclassification of funds	0	0	0	0
FUND BALANCE, JUNE 30, 1989	$ 25,444,670	$ 14,774,338	$ 5,355,582	$ 45,574,590

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION
FUND TYPE
PLANT FUNDS - INVESTMENT IN PLANT
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Land	$ 24,876,201	$ 6,443,577	$ 6,045,464	$ 37,365,242
Buildings and improvements	519,985,103	185,455,373	149,111,145	854,551,621
Equipment	231,043,375	71,311,873	48,880,707	351,235,955
Nonstructural improvements	50,679,146	2,741,932	3,974,531	57,395,609
Leasehold improvements	522,906	0	0	522,906
Library books	32,250,202	22,569,773	4,994,702	59,814,677
Books and collections	0	0	0	0
Streets and paving	0	0	137,472	137,472
Joint watershed	0	728,316	0	728,316
Livestock	0	211,659	369,070	580,729
Construction in progress	7,925,838	274,131	517,366	8,717,335
Unamortized bond discount	0	0	59,097	59,097
Less accumulated depreciation	(42,612,183)	0	0	(42,612,183)
Other assets	0	0	0	0
TOTAL ASSETS	$ 824,670,588	$ 289,736,634	$ 214,089,554	$ 1,328,496,776
LIABILITIES AND FUND EQUITY				
Liabilities:				
Notes payable	$ 250,069	$ 9,512	$ 168,880	$ 428,461
Revenue bonds payable	88,377,357	11,401,188	12,381,884	112,160,429
Leases payable	0	273,572	768,553	1,042,125
Obligation under capital lease	11,559,758	30,643	129,219	11,719,620
Due to other funds	0	0	7,720,253	7,720,253
Total Liabilities	100,187,184	11,714,915	21,168,789	133,070,888
Fund Balance:				
Net investment in plant	724,483,404	278,021,719	192,920,765	1,195,425,888
Total fund balance	724,483,404	278,021,719	192,920,765	1,195,425,888
TOTAL LIABILITIES AND FUND EQUITY	$ 824,670,588	$ 289,736,634	$ 214,089,554	$ 1,328,496,776

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - HIGHER EDUCATION FUND TYPE
PLANT FUNDS - INVESTMENT IN PLANT
FOR THE YEAR ENDED JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
REVENUES AND OTHER ADDITIONS:				
Private gifts, grants and contracts	$ 134,235	$ 522,693	$ 0	$ 656,928
Expended for plant facilities	34,865,[illegible]	10,983,572	8,692,166	54,541,425
Retirement of indebtedness	5,319,832	2,595,519	771,996	8,687,347
Investment and interest income	0	0	0	0
Other	27	68,292	277,818	346,137
TOTAL REVENUE AND OTHER ADDITIONS	40,319,781	14,170,076	9,741,980	64,231,837
EXPENDITURES AND OTHER DEDUCTIONS:				
Expended for plant facilities	(27,006,267)	198,297	0	(26,807,970)
Retirement of equipment	3,740,630	21,867	43,689	3,806,186
Disposal of plant facilities	4,197,140	701,752	963,322	5,862,214
Obligations under capital lease	649,765	0	0	649,765
Depreciation and amortization	5,105,214	0	1,577	5,106,791
Other	0	0	42,617	42,617
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	(13,313,518)	921,916	1,051,205	(11,340,397)
EXCESS OF REVENUES AND ADDITIONS OVER (UNDER) EXPENDITURES AND DEDUCTIONS	53,633,299	13,248,160	8,690,775	75,572,234
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):				
MANDATORY:				
Interfund transfers	0	635,163	75,956	711,119
Principal and interest	0	0	0	0
NONMANDATORY:				
Interfund transfers	(3,559,548)	291,201	(1,107,083)	(4,375,430)
TOTAL TRANSFERS AMONG FUNDS	(3,559,548)	926,364	(1,031,127)	(3,664,311)
NET INCREASE (DECREASE) FOR THE YEAR	50,073,751	14,174,524	7,659,648	71,907,923
FUND BALANCE, JULY 1, 1988	674,409,653	263,847,195	185,261,117	1,123,517,965
Prior period adjustment	0	0	0	0
FUND BALANCE, JUNE 30, 1989	$ 724,483,404	$ 278,021,719	$ 192,920,765	$ 1,195,425,888

STATE OF OKLAHOMA
COMBINING BALANCE SHEET - HIGHER EDUCATION
FUND TYPE
AGENCY FUNDS
JUNE 30, 1989

	MAJOR UNIVERSITIES	OTHER UNIVERSITIES	OTHER COLLEGES	TOTAL
ASSETS				
Cash	$ 1,252,791	$ 642,840	$ 787,248	$ 2,682,879
Investments, at cost	1,668,031	0	110,065	1,778,096
Accounts receivable	0	21,727	0	21,727
Inventories	0	0	0	0
Due from U.S. government	0	0	0	0
Due from current unrestricted fund	0	0	0	0
Due from other funds	0	23,294	0	23,294
TOTAL ASSETS	$ 2,920,822	$ 687,861	$ 897,313	$ 4,505,996
LIABILITIES				
Funds held in custody for others	$ 2,849,666	$ 648,069	$ 858,111	$ 4,355,846
Accounts payable and accrued expenses	23,000	16,449	27,401	66,850
Deferred revenue	0	0	0	0
Due to current unrestricted funds	48,156	22,850	10,912	81,918
Due to other funds	0	493	889	1,382
TOTAL LIABILITIES	$ 2,920,822	$ 687,861	$ 897,313	$ 4,505,996

SUPPLEMENTAL SCHEDULES

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - GENERAL GOVERNMENT
JUNE 30, 1989

	ATTORNEY GENERAL	OFFICE OF STATE FINANCE	TAX COMMISSION	GENERAL FUNDS UNALLOCATED
REVENUES:				
Taxes	$ 0	$ 0	$ 6,900,063	$ 2,484,509,325
Licenses, fees and permits	0	0	148,622	31,764,412
Income from money and property	0	0	0	98,035,379
Federal funds	219,182	0	0	0
Other	13,709	502,147	234,539	16,962,852
TOTAL REVENUES	232,891	502,147	7,283,224	2,631,271,968
EXPENDITURES:				
Personal services	2,655,019	5,201,765	35,812,497	0
Travel	45,067	57,496	1,068,485	0
Contractual services	74,504	2,046,317	6,943,370	0
Supplies and materials	33,298	149,406	1,643,715	0
Equipment	75,581	1,468,393	866,514	0
Assistance, retirement and grants	0	0	14,824	0
Other charges	163,751	554,130	309,017	0
Inter/Intra agency payments	84,462	265,427	3,365,701	0
Payments to local governments	0	0	1,518	0
Land and structures	0	256	475	0
TOTAL EXPENDITURES	3,131,682	9,743,190	50,026,116	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,898,791)	(9,241,043)	(42,742,892)	2,631,271,968
OTHER FINANCING SOURCES (USES):				
Transfers in	245,772	0	107,027	537,338,293
Transfers out	(480,971)	(7,554)	(1,003,656)	(3,072,490,582)
State appropriations	3,440,211	10,429,322	46,847,736	0
TOTAL OTHER FINANCING SOURCES (USES)	3,205,012	10,421,768	45,951,107	(2,535,152,289)
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	306,221	1,180,725	3,208,215	96,119,679
FUND BALANCE, JULY 1, 1988	311,226	2,127,046	2,744,119	472,274,669
FUND BALANCE, JUNE 30, 1989	$ 617,447	$ 3,307,771	$ 5,952,334	$ 568,394,348

ELECTION BOARD	OKLA. MERIT PROTECTION COMMISSION	AUDITOR & INSPECTOR	GOVERNOR	OFFICE OF PERSONNEL MANAGEMENT	OKLAHOMA ETHICS COMMISSION	SENATE
$ 0	$ 0	$ 69,491	$ 0	$ 0	$ 0	$ 0
12,500	0	0	0	0	0	0
0	0	0	3,623	0	0	0
0	0	0	0	0	0	0
14,500	4,982	3,251,387	74,678	72,519	2,822	17,097
27,000	4,982	3,320,878	78,301	72,519	2,822	17,097
526,924	398,331	5,703,911	1,715,874	3,005,435	149,181	4,812,335
32,400	20,260	376,178	50,725	13,068	3,216	225,665
287,453	46,236	145,927	85,688	155,977	9,274	780,127
8,456	7,138	64,902	63,308	56,450	5,552	122,962
10,552	6,930	40,176	171,402	101,249	12,294	29,974
0	0	222	0	0	0	0
5,084	9,302	20,286	41,471	20,025	1,379	38,838
74,210	3,066	357,475	116,931	266,373	7,886	41,473
3,865,100	0	0	0	82	0	0
0	0	0	0	0	0	0
4,810,179	491,263	6,709,077	2,245,399	3,618,659	188,782	6,051,374
(4,783,179)	(486,281)	(3,388,199)	(2,167,098)	(3,546,140)	(185,960)	(6,034,277)
1,102,675	30,712	2,587	224,068	329,806	0	11,880
(7)	(48,224)	(19,774)	(110,973)	(1,033,910)	0	(11,880)
3,155,558	485,150	3,287,953	1,697,151	4,129,439	205,920	6,091,361
4,258,226	467,638	3,270,766	1,810,246	3,425,335	205,920	6,091,361
(524,953)	(18,643)	(117,433)	(356,852)	(120,805)	19,960	57,084
1,246,183	38,602	247,564	498,525	382,683	3,633	225,822
$ 721,230	$ 19,959	$ 130,131	$ 141,673	$ 261,878	$ 23,593	$ 282,906

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - GENERAL GOVERNMENT
JUNE 30, 1989

	HOUSE OF REPRESENTATIVES	LEGISLATIVE SERVICE BUREAU	TREASURERS' OFFICE	LIEUTENANT GOVERNOR
REVENUES:				
Taxes	$ 0	$ 0	$ 300,000	$ 0
Licenses, fees and permits	0	0	0	0
Income from money and property	0	0	4,315	0
Federal funds	0	120,000	0	0
Other	0	30,071	87,952	4,500
TOTAL REVENUES	0	150,071	392,267	4,500
EXPENDITURES:				
Personal services	6,675,782	1,881,520	1,948,364	317,694
Travel	514,786	27,401	42,960	79,586
Contractual services	1,589,903	291,313	348,343	11,112
Supplies and materials	214,443	112,777	72,396	55,207
Equipment	167,423	236,056	782,439	9,833
Assistance, retirement and grants	0	0	0	0
Other charges	52,556	13,697	2,743,474	5,330
Inter/Intra agency payments	111,757	62,105	72,739	12,226
Payments to local governments	0	0	487,500	0
Land and structures	0	0	0	0
TOTAL EXPENDITURES	9,326,650	2,624,869	6,498,215	490,988
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(9,326,650)	(2,474,798)	(6,105,948)	(486,488)
OTHER FINANCING SOURCES (USES):				
Transfers in	520,908	1,222,626	324,100	103,544
Transfers out	(170,908)	(643,136)	(473,665)	(103,607)
State appropriations	9,228,107	2,955,041	4,327,620	456,167
TOTAL OTHER FINANCING SOURCES (USES)	9,578,107	3,534,531	4,178,055	456,104
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	251,457	1,059,733	(1,927,893)	(30,384)
FUND BALANCE, JULY 1, 1988	741,974	1,760,781	3,632,735	41,781
FUND BALANCE, JUNE 30, 1989	$ 993,431	$ 2,820,514	$ 1,704,842	$ 11,397

OFFICE OF PUBLIC AFFAIRS	SECRETARY OF STATE	TOTAL
$ 0	$ 0	$ 2,491,778,879
11,659	408,516	32,345,709
21,769	0	98,065,086
0	0	339,182
214,540	160,308	21,648,603
247,968	568,824	2,644,177,459
6,423,673	695,113	77,923,418
121,076	3,586	2,681,955
2,011,657	88,724	14,915,925
585,044	49,719	3,244,773
339,682	121,736	4,440,234
0	0	15,046
299,492	3,398	4,281,230
551,864	118,820	5,512,515
0	0	4,354,200
0	0	731
10,332,488	1,081,096	117,370,027
(10,084,520)	(512,272)	2,526,807,432
2,238,667	18,793	543,821,458
(95,069)	(228,166)	(3,076,922,082)
8,105,701	761,954	105,604,391
10,249,299	552,581	(2,427,496,233)
164,779	40,309	99,311,199
1,237,192	524,158	488,038,693
$ 1,401,971	$ 564,467	$ 587,349,892

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - EDUCATION
JUNE 30, 1989

	ARTS AND HUMANITIES COUNCIL	J.M. DAVIS MEMORIAL COMMISSION	DEPARTMENT OF EDUCATION	OKLAHOMA EDUCATIONAL TV AUTHORITY
REVENUE:				
Taxes	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	0	0	455,468	1,100
Income from money and property	0	0	28,612	3,461
Federal funds	559,524	0	137,586,350	0
Other	198,450	43,195	573,504	95,435
TOTAL REVENUE	757,974	43,195	138,643,934	99,996
EXPENDITURES:				
Personal services	636,182	220,024	18,712,321	1,853,782
Travel	30,097	957	1,354,217	8,236
Contractual services	49,534	70,392	1,361,799	375,615
Supplies and materials	25,783	7,186	771,066	196,775
Equipment	23,621	2,109	556,494	604,747
Assistance, retirement and grants	0	0	183,500	0
Other charges	13,885	14,175	10,704,845	797
Inter/Intra agency payments	92,407	3,596	3,508,096	44,098
Payments to local governments	2,030,902	0	966,207,848	0
Land and structures	0	0	0	0
TOTAL EXPENDITURES	2,902,411	318,439	1,003,360,186	3,084,050
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(2,144,437)	(275,244)	(864,716,252)	(2,984,054)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,841	73,442	23,900,488	777,667
Transfers out	(21,535)	(1,557)	(100,841)	(271,096)
State appropriations	2,621,255	251,810	841,663,399	2,717,245
TOTAL OTHER FINANCING SOURCES (USES)	2,615,561	323,695	865,463,046	3,223,816
EXCESS REVENUE OVER (UNDER) EXPENDITURES AND OTHER USES	471,124	48,451	746,794	239,762
FUND BALANCE, JULY 1, 1988	583,606	66,325	8,205,250	138,543
FUND BALANCE, JUNE 30, 1989	$ 1,054,730	$ 114,776	$ 8,952,044	$ 378,305

HISTORICAL SOCIETY	DEPARTMENT OF LIBRARIES	REGENTS FOR HIGHER EDUCATION	PHYSICIANS MANPOWER TRAINING COMM.	DEPARTMENT OF VOCATIONAL AND TECHNICAL ECUATION	WILL ROGERS MEMORIAL COMMISSION	OKLAHOMA CENTER FOR SCIENCE & TECHNOLOGY
$ 0	$ 0	$ 7,152	$ 0	$ 0	$ 0	$ 0
0	0	0	0	0	0	0
0	0	113,265	0	0	0	0
438,525	1,801,367	1,729,180	0	18,105,100	0	0
248,987	174,365	8,651,763	390,052	3,758,906	130,190	909
687,512	1,975,732	10,501,360	390,052	21,864,006	130,190	909
2,741,751	2,384,862	4,822,064	1,586,273	13,664,986	311,655	679,573
34,153	55,609	86,857	5,896	869,924	5,948	22,799
333,294	322,189	909,614	6,366	2,710,898	58,192	95,453
127,383	162,740	228,227	3,392	1,636,782	28,707	17,947
39,978	573,034	2,653,349	321	6,190,622	34,094	102,462
0	3,780	12,276,581	668,234	24,659	0	7,254
86,999	70,494	554,617	7,853	170,732	80,558	51,287
520,139	275,416	24,770,107	3,245,298	3,636,315	3,185	1,849,328
78,568	2,715,264	412,097	0	60,186,278	0	324,607
0	0	170,034	0	782	0	0
3,962,265	6,563,388	46,883,547	5,523,633	89,091,978	522,339	3,150,710
(3,274,753)	(4,587,656)	(36,382,187)	(5,133,581)	(67,227,972)	(392,149)	(3,149,801)
67,215	10,896	24,103,774	148,274	19,986,139	2,537	12,896,981
(156,281)	(205,095)	(415,576,716)	(120,133)	(10,050,193)	(12,628)	(12,830,314)
3,235,070	4,922,534	427,819,622	5,162,380	62,329,966	452,537	12,656,692
3,146,004	4,728,335	36,346,680	5,190,521	72,265,912	442,446	12,723,359
(128,749)	140,679	(35,507)	56,940	5,037,940	50,297	9,573,558
445,597	278,045	19,488,615	516,888	9,884,887	69,178	12,740,585
$ 316,848	$ 418,724	$ 19,453,108	$ 573,828	$ 14,922,827	$ 119,475	$ 22,314,143

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - EDUCATION
JUNE 30, 1989

	OKLAHOMA SCHOOL OF SCIENCE AND MATH	REGENTS FOR OKLAHOMA COLLEGES	TOTAL
REVENUE:			
Taxes	$ 0	$ 0	$ 7,152
Licenses, fees and permits	0	0	456,568
Income from money and property	0	0	145,338
Federal funds	0	0	160,220,046
Other	0	242,431	14,508,187
TOTAL REVENUE	0	242,431	175,337,291
EXPENDITURES:			
Personal services	133,513	151,616	47,898,602
Travel	6,159	20,595	2,501,447
Contractual services	25,953	9,131	6,328,430
Supplies and materials	3,350	4,067	3,213,405
Equipment	26,989	1,919	10,809,739
Assistance, retirement and grants	0	0	13,164,008
Other charges	1,605	5,370	11,763,217
Inter/Intra agency payments	911	26,966	37,975,862
Payments to local governments	0	0	1,031,955,564
Land and structures	0	0	170,816
TOTAL EXPENDITURES	198,480	219,664	1,165,781,090
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(198,480)	22,767	(990,443,799)
OTHER FINANCING SOURCES (USES)			
Transfers in	0	2,504	81,985,758
Transfers out	0	(2,504)	(439,348,893)
State appropriations	300,000	0	1,364,132,510
TOTAL OTHER FINANCING SOURCES (USES)	300,000	0	1,006,769,375
EXCESS REVENUE OVER (UNDER) EXPENDITURES AND OTHER USES	101,520	22,767	16,325,576
FUND BALANCE, JULY 1, 1988	55,416	15,436	52,488,371
FUND BALANCE, JUNE 30, 1989	$ 156,936	$ 38,203	$ 68,813,947

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - HEALTH & SOCIAL SERVICES
JUNE 30, 1989

	OFFICE OF HANDICAPPED CONCERNS	OKLAHOMA DEPARTMENT OF HEALTH	OKLAHOMA HEALTH PLANNING COMMISSION	OKLAHOMA COMMISSION ON CHILDREN & YOUTH
REVENUES:				
Taxes	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	0	5,804,284	19,712	0
Income from money and property	0	0	0	0
Federal funds	92,000	40,597,774	0	420,459
Other	448	5,038,848	100,629	214,238
TOTAL REVENUES	92,448	51,440,906	120,341	634,697
EXPENDITURES:				
Personal services	250,563	45,492,943	772,247	512,772
Travel	5,136	1,766,871	19,823	44,328
Contractual services	33,665	2,666,729	42,301	41,995
Supplies and materials	2,314	2,856,602	17,958	10,721
Equipment	5,204	1,740,699	16,410	9,780
Assistance, retirement and grants	0	18,405,289	0	0
Other charges	1,183	578,026	10,495	108,331
Inter/Intra agency payments	11,611	5,094,759	47,395	449,909
Payments to local governments	0	9,418,946	70	347,753
Land and structures	0	16,000	0	0
TOTAL EXPENDITURES	309,676	88,036,864	926,699	1,525,589
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(217,228)	(36,595,958)	(806,358)	(890,892)
OTHER FINANCING SOURCES (USES)				
Transfers in	37,845	1,093,253	11,507	1,607
Transfers out	(38,421)	(1,500,722)	(11,507)	(12,892)
State appropriations	226,599	38,909,528	935,970	777,998
TOTAL OTHER FINANCING SOURCES (USES)	226,023	38,502,059	935,970	766,713
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	8,795	1,906,101	129,612	(124,179)
FUND BALANCE, JULY 1, 1988	41,680	10,501,050	33,434	262,380
FUND BALANCE, JUNE 30, 1989	$ 50,475	$ 12,407,151	$ 163,046	$ 138,201

OKLAHOMA INDIAN AFFAIRS COMMISSION	DEPARTMENT OF MENTAL HEALTH	DEPARTMENT OF VETERANS AFFAIRS	J.D. McCARTY CENTER FOR HANDI-CAPPED CHILDREN	HUMAN RIGHTS COMMISSION	DEPARTMENT OF HUMAN SERVICES	TOTAL
$ 0	$ 0	$ 0	$ 0	$ 0	$ 839,479	$ 839,479
29	9,600	0	0	0	0	5,833,625
1,460	60,282	0	0	0	169,583	231,325
0	11,873,716	7,699,599	1,215,565	92,388	687,704,727	749,696,228
36	21,186,627	10,213,965	65,779	144,633	107,697,914	144,663,117
1,525	33,130,225	17,913,564	1,281,344	237,021	796,411,703	901,263,774
141,285	70,590,882	21,957,851	2,172,907	730,104	251,190,182	393,811,736
11,167	372,706	145,727	14,813	19,035	4,872,166	7,271,772
44,992	5,224,146	1,666,040	90,819	22,808	31,094,943	40,928,438
4,582	5,055,999	3,698,297	140,827	13,876	8,996,698	20,797,874
1,207	902,120	521,780	93,347	3,375	4,951,352	8,245,274
0	249,780	241,529	328	5,721	905,382,882	924,285,529
1,182	1,960,859	2,349,916	32,420	14,550	5,469,043	10,526,005
9,670	8,548,539	764,663	23,998	35,106	9,334,974	24,320,624
327,492	34,198,127	0	127,896	0	54,495,180	98,915,464
0	134,244	496,125	0	0	1,564,895	2,211,264
541,577	127,237,402	31,841,928	2,697,355	844,575	1,277,352,315	1,531,313,980
(540,052)	(94,107,177)	(13,928,364)	(1,416,011)	(607,554)	(480,940,612)	(630,050,206)
752,141	3,078,952	2,642,933	16,306	52,812	533,678,840	541,366,196
(395,427)	(2,820,290)	(2,642,954)	(29,529)	(54,564)	(561,061,314)	(568,567,620)
196,573	92,287,655	12,805,636	1,405,964	649,552	527,299,468	675,494,943
553,287	92,546,317	12,805,615	1,392,741	647,800	499,916,994	648,293,519
13,235	(1,560,860)	(1,122,749)	(23,270)	40,246	18,976,382	18,243,313
23,615	8,738,172	4,294,319	686,157	72,457	31,253,865	55,907,129
$ 36,850	$ 7,177,312	$ 3,171,570	$ 662,887	$ 112,703	$ 50,230,247	$ 74,150,442

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - LAW, JUSTICE, & PUBLIC SAFETY
JUNE 30, 1989

	MILITARY DEPARTMENT	APPELLATE PUBLIC DEFENDER	COURT OF CRIMINAL APPEALS	DISTRICT COURTS	DISTRICT ATTORNEYS (DATCC)
REVENUES:					
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	0	0	0	0	150
Income from money and property	0	0	0	0	0
Federal funds	3,901,852	411,140	0	0	5,143,003
Other	45,912	0	7,697	0	4,072,924
TOTAL REVENUES	3,947,764	411,140	7,697	0	9,216,077
EXPENDITURES:					
Personal services	4,761,298	835,623	994,630	17,389,387	26,950,202
Travel	31,732	18,251	8,048	252,034	440,112
Contractual services	2,380,315	41,617	49,026	30,221	152,145
Supplies and materials	326,516	8,579	18,513	1,391	16,384
Equipment	45,935	53,479	131,179	0	85,051
Assistance, retirement and grants	6,267	0	0	0	0
Other charges	819,700	173,117	6,494	94,175	799,746
Inter/Intra agency payments	50,623	38,544	22,720	16,767	974,404
Payments to local governments	20	0	0	0	1,919,361
Land and structures	431,521	0	0	0	0
TOTAL EXPENDITURES	8,853,927	1,169,210	1,230,610	17,783,975	31,337,405
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(4,906,163)	(758,070)	(1,222,913)	(17,783,975)	(22,121,328)
OTHER FINANCING SOURCES (USES)					
Transfers in	14,816	0	4,483	16,236,553	54,141
Transfers out	(16,463)	(57,963)	(8,167)	(3,231,368)	(94,725)
State appropriations	4,381,293	1,005,514	1,271,865	4,924,896	22,260,247
TOTAL OTHER FINANCING SOURCES (USES)	4,379,646	947,551	1,268,181	17,930,081	22,219,663
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(526,517)	189,481	45,268	146,106	98,335
FUND BALANCE, JULY 1, 1988	1,591,327	0	17,977	208,474	951,334
FUND BALANCE, JUNE 30, 1989	$ 1,064,810	$ 189,481	$ 63,245	$ 354,580	$ 1,049,669

PARDON AND PAROLE BOARD	BUREAU OF INVESTIGATION	BOARD OF MEDICOLEGAL INVESTIGATIONS	STATE FIRE MARSHAL	ALCOHOLIC BEVERAGE LAWS ENFORCEMENT COMMISSION	BUREAU OF NARCOTICS & DANGEROUS DRUGS CONTROL	DEPARTMENT OF PUBLIC SAFETY
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 19,000
0	99,755	0	0	0	910	400
0	0	0	0	0	0	0
0	403,000	9,185	0	0	226,855	1,452,966
0	397,348	0	0	22,219	391,605	4,554,365
0	900,103	9,185	0	22,219	619,370	6,026,731
854,226	5,576,812	1,702,091	475,145	2,044,238	2,608,069	35,624,950
42,690	76,617	8,211	7,193	38,965	77,796	55,688
35,045	1,097,428	279,055	43,358	174,326	474,742	4,618,852
10,260	288,138	113,722	9,268	72,852	250,375	4,506,093
6,034	202,073	38,519	7,113	114,871	338,165	1,883,605
0	0	0	0	0	0	3,289
3,233	145,514	17,610	15,089	33,435	221,747	1,535,902
10,284	235,904	62,655	75,073	138,801	137,312	543,858
0	0	0	0	0	0	2,496
0	1,057	0	0	0	0	2,137,437
961,772	7,623,543	2,221,863	632,239	2,617,488	4,108,206	50,912,170
(961,772)	(6,723,440)	(2,212,678)	(632,239)	(2,595,269)	(3,488,836)	(44,885,439)
35,042	5,433	126,652	0	20,281	206,813	1,435,039
(8,091)	(169,912)	(1,013,483)	(155,630)	(40,424)	(409,472)	(596,980)
1,018,414	7,273,924	3,096,903	806,248	2,576,375	3,441,342	43,268,805
1,045,365	7,109,445	2,210,072	650,618	2,556,232	3,238,683	44,106,864
83,593	386,005	(2,606)	18,379	(39,037)	(250,153)	(778,575)
15,705	331,809	89,822	21,749	91,175	772,766	2,713,324
$ 99,298	$ 717,814	$ 87,216	$ 40,128	$ 52,138	$ 522,613	$ 1,934,749

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - LAW, JUSTICE, & PUBLIC SAFETY
JUNE 30, 1989

	SUPREME COURT	CENTER FOR CRIMINAL JUSTICE BD.	COUNCIL ON LAW ENFORCEMENT EDUCATION AND TRAINING	DEPARTMENT OF CORRECTIONS	TOTAL
REVENUES:					
Taxes	$ 0	$ 0	$ 0	$ 0	$ 19,000
Licenses, fees and permits	230,138	0	0	1,308,601	1,639,954
Income from money and property	0	0	0	14,521	14,521
Federal funds	0	0	0	165,330	11,713,331
Other	13,182,851	0	1,761,924	2,004,443	26,441,288
TOTAL REVENUES	13,412,989	0	1,761,924	3,492,895	39,828,094
EXPENDITURES:					
Personal services	5,400,737	18,411	1,030,235	97,982,215	204,248,269
Travel	40,038	1,248	56,518	625,389	1,780,530
Contractual services	682,425	4,468	106,281	8,649,696	18,819,000
Supplies and materials	77,746	4,039	132,169	9,709,626	15,545,671
Equipment	243,818	15,965	97,721	3,085,949	6,349,477
Assistance, retirement and grants	0	0	0	1,925,992	1,935,548
Other charges	304,440	140	9,707	5,344,105	9,524,154
Inter/Intra agency payments	195,163	0	292,169	6,220,275	9,014,552
Payments to local governments	89,838	0	5,521	303,520	2,320,756
Land and structures	0	0	0	132,879	2,702,894
TOTAL EXPENDITURES	7,034,205	44,271	1,730,321	133,979,646	272,240,851
EXCESS REVENUES OVER (UNDER) EXPENDITURES	6,378,784	(44,271)	31,603	(130,486,751)	(232,412,757)
OTHER FINANCING SOURCES (USES)					
Transfers in	4,829,314	5,677	699,045	5,956,066	29,629,355
Transfers out	(14,725,287)	(64,855)	(1,257,733)	(674,960)	(22,525,513)
State appropriations	3,104,886	1,085	328,096	137,125,682	235,885,575
TOTAL OTHER FINANCING SOURCES (USES)	(6,791,087)	(58,093)	(230,592)	142,406,788	242,989,417
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(412,303)	(102,364)	(198,989)	11,920,037	10,576,660
FUND BALANCE, JULY 1, 1988	1,533,172	111,755	779,081	6,797,225	16,026,695
FUND BALANCE, JUNE 30, 1989	$ 1,120,869	$ 9,391	$ 580,092	$ 18,717,262	$ 26,603,355

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - RECREATION & NATURAL RESOURCES
JUNE 30, 1989

	DEPT. OF AGRICULTURE	WATER RESOURCES BOARD	DEPT. OF TOURISM & RECREATION	DEPT. OF POLLUTION CONTROL
REVENUES:				
Taxes	$ 0	$ 0	$ 1,928,473	$ 0
Licenses, fees and permits	2,423,597	260,814	51,244	0
Income from money and property	15,618	0	69,111	0
Federal funds	3,028,937	664,189	807,764	1,480,272
Other	657,093	373,130	7,433,978	28
TOTAL REVENUES	6,125,245	1,298,133	10,290,570	1,480,300
EXPENDITURES:				
Personal services	15,559,197	2,971,405	16,430,571	252,983
Travel	421,929	57,214	181,858	15,571
Contractual services	816,697	745,461	6,212,977	15,036
Supplies and materials	834,770	47,578	1,984,138	3,183
Equipment	1,026,357	66,799	1,622,268	7,189
Assistance, retirement, and grants	0	0	0	0
Other charges	495,063	28,009	1,121,726	1,872
Inter/Intra agency payments	638,791	280,785	1,474,285	1,327,950
Payments to local governments	566,011	584,370	1,610,948	26,700
Land and structures	0	0	422,277	0
TOTAL EXPENDITURES	20,358,815	4,781,621	31,061,048	1,650,484
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(14,233,570)	(3,483,488)	(20,770,478)	(170,184)
OTHER FINANCING SOURCES (USES)				
Transfers in	277,974	15,115	1,714,747	0
Transfers out	(137,980)	(115)	(1,180,030)	(3,140)
State appropriations	12,643,819	3,260,173	20,761,553	179,132
TOTAL OTHER FINANCING SOURCES (USES)	12,783,813	3,275,173	21,296,270	175,992
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,449,757)	(208,315)	525,792	5,808
FUND BALANCE, JULY 1, 1988	1,912,307	553,221	2,922,209	18,995
FUND BALANCE, JUNE 30, 1989	$ 462,550	$ 344,906	$ 3,448,001	$ 24,803

OKLAHOMA CONSERVATION COMMISSION	TOTAL
$ 0	$ 1,928,473
0	2,735,655
978	85,707
2,387,803	8,368,965
58,889	8,523,118
2,447,670	21,641,918
750,729	35,964,885
42,937	719,509
87,920	7,878,091
74,596	2,944,265
149,055	2,871,668
0	0
153,954	1,800,624
97,777	3,819,588
3,653,286	6,441,315
1,201,926	1,624,203
6,212,180	64,064,148
(3,764,510)	(42,422,230)
54	2,007,890
(766)	(1,322,031)
3,874,593	40,719,270
3,873,881	41,405,129
109,371	(1,017,101)
556,751	5,963,483
$ 666,122	$ 4,946,382

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - REGULATORY SERVICES
JUNE 30, 1989

	BANKING DEPARTMENT	DEPARTMENT OF MINES	OKLAHOMA HORSE RACING COMMISSION	OKLAHOMA BOARD OF PRIVATE SCHOOLS
REVENUES:				
Taxes	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	39,100	557,586	0	0
Income from money and property	0	0	0	0
Federal funds	0	945,093	0	0
Other	0	60,442	2,215,801	0
TOTAL REVENUES	39,100	1,563,121	2,215,801	0
EXPENDITURES:				
Personal services	1,653,415	1,866,800	994,842	69,372
Travel	258,394	41,288	28,674	667
Contractual services	64,626	186,590	182,159	6,468
Supplies and materials	12,327	52,787	37,309	2,839
Equipment	49,261	125,869	36,748	8,337
Assistance, retirement and grants	5,631	0	0	0
Other charges	26,750	12,823	2,245,837	724
Inter/Intra agency payments	24,768	180,445	350,689	2,252
Payments to local governments	0	21	14,500	0
Land and structures	0	0	0	0
TOTAL EXPENDITURES	2,095,172	2,466,623	3,890,758	90,659
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,056,072)	(903,502)	(1,674,957)	(90,659)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,021	2,693	12,233	0
Transfers out	(151,455)	(2,693)	(143,784)	(17,063)
State appropriations	2,184,520	989,758	1,919,734	109,670
TOTAL OTHER FINANCING SOURCES (USES)	2,035,086	989,758	1,788,183	92,607
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(20,986)	86,256	113,226	1,948
FUND BALANCE, JULY 1, 1988	263,866	278,190	405,764	28,340
FUND BALANCE, JUNE 30, 1989	$ 242,880	$ 364,446	$ 518,990	$ 30,288

INSURANCE COMMISSIONER	BOARD OF NURSING HOMES	CORPORATION COMMISSION	SECURITIES COMMISSION	DEPARTMENT OF CONSUMER CREDIT	LIQUEFIED PETROLEUM GAS BOARD
$ 0	$ 0	$ 4,130,349	$ 0	$ 0	$ 0
1,972,131	148,635	4,194,795	871,102	5,665	0
0	0	37,284	0	0	0
0	0	987,353	0	0	0
0	1,130	911,300	13,319	0	0
1,972,131	149,765	10,261,081	884,421	5,665	0
2,849,907	94,561	12,835,183	1,312,810	480,488	229,301
37,137	3,504	356,740	39,137	37,976	10,019
262,878	24,961	555,220	135,935	34,129	5,993
94,152	2,568	197,923	18,091	6,652	7,975
38,841	10	185,948	76,528	6,364	5,073
0	0	0	0	0	0
28,859	1,426	231,926	8,612	1,560	2,287
343,255	0	1,123,812	22,748	41,488	31,436
0	0	200	0	0	0
0	0	0	0	0	0
3,655,029	127,030	15,486,952	1,613,861	608,657	292,084
(1,682,898)	22,735	(5,225,871)	(729,440)	(602,992)	(292,084)
606,029	137	25,229	4,620	0	83
(1,651,536)	(8,124)	(68,688)	(494,479)	0	(156)
2,437,150	50,000	4,845,945	817,346	627,569	326,144
1,391,643	42,013	4,802,486	327,487	627,569	326,071
(291,255)	64,748	(423,385)	(401,953)	24,577	33,987
1,642,677	59,461	2,418,839	1,097,109	45,430	5,723
$ 1,351,422	$ 124,209	$ 1,995,454	$ 695,156	$ 70,007	$ 39,710

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
GENERAL FUND - REGULATORY SERVICES
JUNE 30, 1989

	DEPARTMENT OF LABOR	DEPARTMENT OF COMMERCE	TOTAL
REVENUES:			
Taxes	$ 953,446	$ 0	$ 5,083,795
Licenses, fees and permits	0	0	7,789,014
Income from money and property	0	6,516	43,800
Federal funds	0	67,775,125	69,707,571
Other	1,048,634	2,166,620	6,417,246
TOTAL REVENUES	2,002,080	69,948,261	89,041,426
EXPENDITURES:			
Personal services	2,861,417	7,904,464	33,152,560
Travel	176,670	530,624	1,520,830
Contractual services	328,586	1,956,073	3,743,618
Supplies and materials	104,958	148,468	686,049
Equipment	208,153	533,417	1,274,549
Assistance, retirement and grants	0	2,817	8,448
Other charges	68,053	528,196	3,157,053
Inter/Intra agency payments	256,113	9,686,458	12,063,464
Payments to local governments	0	63,395,648	63,410,369
Land and structures	0	0	0
TOTAL EXPENDITURES	4,003,950	84,686,165	119,016,940
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,001,870)	(14,737,904)	(29,975,514)
OTHER FINANCING SOURCES (USES)			
Transfers in	290,703	7,466,952	8,410,700
Transfers out	(362,798)	(5,958,741)	(8,859,517)
State appropriations	2,303,410	11,839,608	28,450,854
TOTAL OTHER FINANCING SOURCES (USES)	2,231,315	13,347,819	28,002,037
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	229,445	(1,390,085)	(1,973,477)
FUND BALANCE, JULY 1, 1988	468,385	5,488,823	12,202,607
FUND BALANCE, JUNE 30, 1989	$ 697,830	$ 4,098,738	$ 10,229,130

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - GENERAL GOVERNMENT
JUNE 30, 1989

	TAX COMMISSION
REVENUES:	
Taxes	$ 10,922,934
Licenses, fees and permits	0
Income from money and property	471,156
Federal funds	0
Other	4,309
TOTAL REVENUES	11,398,399
EXPENDITURES:	
Personal services	151,487
Travel	0
Contractual services	254,814
Supplies and materials	0
Equipment	1,494
Assistance, retirement and grants	0
Other charges	0
Inter/Intra agency payments	0
Payments to local governments	4,191,465
Land and structures	0
TOTAL EXPENDITURES	4,599,260
EXCESS REVENUES OVER (UNDER) EXPENDITURES	6,799,139
OTHER FINANCING SOURCES (USES)	
Transfers in	1,111,952
Transfers out	(5,466,951)
State appropriations	0
TOTAL OTHER FINANCING SOURCES (USES)	(4,354,999)
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	2,444,140
FUND BALANCE, JULY 1, 1988	1,867,014
FUND BALANCE, JUNE 30, 1989	$ 4,311,154

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - EDUCATION
JUNE 30, 1989

	STATE ANATOMICAL BOARD
REVENUES:	
Taxes	$ 0
Licenses, fees and permits	0
Income from money and property	0
Federal funds	0
Other	7,312
TOTAL REVENUES	7,312
EXPENDITURES:	
Personal services	10,086
Travel	103
Contractual services	2,869
Supplies and materials	721
Equipment	45
Assistance, retirement and grants	0
Other charges	0
Inter/Intra agency payments	0
Payments to local governments	0
Land and structures	0
TOTAL EXPENDITURES	13,824
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(6,512)
OTHER FINANCING SOURCES (USES)	
Transfers in	0
Transfers out	0
State appropriations	0
TOTAL OTHER FINANCING SOURCES (USES)	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,512)
FUND BALANCE, JULY 1, 1988	11,352
FUND BALANCE, JUNE 30, 1989	$ 4,840

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - DEPARTMENT OF TRANSPORTATION
JUNE 30, 1989

	DEPARTMENT OF TRANSPORTATION
REVENUES:	
Taxes	$ 238,480,111
Licenses, fees and permits	310,965
Income from money and property	988,773
Federal funds	304,065,553
Other	16,887,179
TOTAL REVENUES	560,732,581
EXPENDITURES:	
Personal services	95,692,068
Travel	937,621
Contractual services	309,049,813
Supplies and materials	35,098,424
Equipment	11,049,340
Assistance, retirement and grants	58,345
Other charges	2,547,141
Inter/Intra agency payments	8,147,327
Payments to local governments	13,451,881
Land and structures	9,643,912
TOTAL EXPENDITURES	485,675,872
EXCESS REVENUES OVER (UNDER) EXPENDITURES	75,056,709
OTHER FINANCING SOURCES (USES)	
Transfers in	40,995,827
Transfers out	(40,995,827)
State appropriations	9,810,184
TOTAL OTHER FINANCING SOURCES (USES)	9,810,184
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	84,866,893
FUND BALANCE, JULY 1, 1988	68,211,556
FUND BALANCE, JUNE 30, 1989	$ 153,078,449

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - HEALTH & SOCIAL SERVICES
JUNE 30, 1989

	EMPLOYMENT SECURITY COMMISSION
REVENUES:	
Taxes	$ 0
Licenses, fees and permits	0
Income from money and property	0
Federal funds	41,443,678
Other	1,780,704
TOTAL REVENUES	43,224,382
EXPENDITURES:	
Personal services	27,145,565
Travel	621,795
Contractual services	3,759,521
Supplies and materials	674,214
Equipment	4,999,235
Assistance, retirement and grants	20
Other charges	206,580
Inter/Intra agency payments	1,128,394
Payments to local governments	8,675
Land and structures	200
TOTAL EXPENDITURES	38,544,199
EXCESS REVENUES OVER (UNDER) EXPENDITURES	4,680,183
OTHER FINANCING SOURCES (USES)	
Transfers in	812,650
Transfers out	(4,192,958)
State appropriations	0
TOTAL OTHER FINANCING SOURCES (USES)	(3,380,308)
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	1,299,875
FUND BALANCE, JULY 1, 1988	1,170,663
FUND BALANCE, JUNE 30, 1989	$ 2,470,538

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - LAW, JUSTICE, & PUBLIC SAFETY
JUNE 30, 1989

	WORKERS' COMPENSATION COURT	CIVIL DEFENSE	TOTAL
REVENUES:			
Taxes	$ 307,239	$ 0	$ 307,239
Licenses, fees and permits	42,600	0	42,600
Income from money and property	5,400	0	5,400
Federal funds	0	5,579,174	5,579,174
Other	24,238	510,370	534,608
TOTAL REVENUES	379,477	6,089,544	6,469,021
EXPENDITURES:			
Personal services	2,252,781	794,757	3,047,538
Travel	48,332	78,959	127,291
Contractual services	230,584	41,794	272,378
Supplies and materials	75,629	24,776	100,405
Equipment	43,428	36,661	80,089
Assistance, retirement and grants	0	0	0
Other charges	24,826	4,273	29,099
Inter/Intra agency payments	112,782	491,504	604,286
Payments to local governments	0	5,281,615	5,281,615
Land and structures	0	0	0
TOTAL EXPENDITURES	2,788,362	6,754,339	9,542,701
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,408,885)	(664,795)	(3,073,680)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,162,207	10,260	3,172,467
Transfers out	(3,042,908)	(32,716)	(3,075,624)
State appropriations	0	442,665	442,665
TOTAL OTHER FINANCING SOURCES (USES)	119,299	420,209	539,508
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,289,586)	(244,586)	(2,534,172)
FUND BALANCE, JULY 1, 1988	3,040,485	782,015	3,822,500
FUND BALANCE, JUNE 30, 1989	$ 750,899	$ 537,429	$ 1,288,328

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - RECREATION & NATURAL RESOURCES
JUNE 30, 1989

	WILDLIFE CONSERVATION COMMISSION
REVENUES:	
Taxes	$ 106,519
Licenses, fees and permits	11,699,244
Income from money and property	434,471
Federal funds	4,826,137
Other	1,608,023
TOTAL REVENUES	18,674,394
EXPENDITURES:	
Personal services	9,722,407
Travel	170,043
Contractual services	1,065,366
Supplies and materials	1,549,979
Equipment	1,232,908
Assistance, retirement and grants	0
Other charges	5,804,160
Inter/Intra agency payments	693,507
Payments to local governments	331,108
Land and structures	224,159
TOTAL EXPENDITURES	20,793,637
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(2,119,243)
OTHER FINANCING SOURCES (USES)	
Transfers in	70,327
Transfers out	(70,327)
State appropriations	0
TOTAL OTHER FINANCING SOURCES (USES)	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,119,243)
FUND BALANCE, JULY 1, 1988	3,791,837
FUND BALANCE, JUNE 30, 1989	$ 1,672,594

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - REGULATORY SERVICES
JUNE 30, 1989

	BOARD OF ACCOUNTANCY	BOARD OF LICENSED ARCHITECTS	BEEF COMMISSION	BURIAL BOARD
REVENUES:				
Taxes	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	510,027	212,027	2,375,000	0
Income from money and property	0	0	7,307	0
Federal funds	0	0	0	0
Other	9,478	1,100	0	0
TOTAL REVENUES	519,505	213,127	2,382,307	0
EXPENDITURES:				
Personal services	264,907	75,949	133,350	8,957
Travel	23,152	9,209	8,435	0
Contractual services	102,713	20,614	2,051,069	82
Supplies and materials	110,428	17,841	35,583	65
Equipment	11,239	3,235	5,489	0
Assistance, retirement and grants	0	0	0	0
Other charges	7,478	2,915	1,641	0
Inter/Intra agency payments	32,999	9,174	223,927	0
Payments to local governments	0	0	0	0
Land and structures	0	0	0	0
TOTAL EXPENDITURES	552,916	138,937	2,459,494	9,104
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(33,411)	74,190	(77,187)	(9,104)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,088	26,727	78	62
Transfers out	(6,088)	(26,727)	(78)	(62)
State appropriations	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(33,411)	74,190	(77,187)	(9,104)
FUND BALANCE, JULY 1, 1988	771,723	237,160	1,060,952	31,936
FUND BALANCE, JUNE 30, 1989	$ 738,312	$ 311,350	$ 983,765	$ 22,832

BOARD OF PODIATRY	BOARD OF CHIROPRACTIC EXAMINERS	DEPARTMENT OF COMMERCE	BOARD OF COSMETOLOGY	DENTAL BOARD	EMBALMING BOARD	INTERSTATE OIL COMPACT COMMISSION	BOARD OF MEDICAL EXAMINERS
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 212,098	$ 0
2,475	52,644	0	438,564	207,763	99,323	0	825,500
0	0	677,904	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	160,792	0	0	0	0	0
2,475	52,644	838,696	438,564	207,763	99,323	212,098	825,500
551	28,919	133,106	314,865	92,443	70,238	78,732	717,005
0	3,296	10,344	44,513	17,918	7,645	7,412	18,228
130	9,523	0	40,243	30,187	11,742	64,043	97,253
249	2,750	0	16,152	3,398	1,298	0	75,066
0	5,890	0	11,284	4,575	2,783	32	15,035
0	0	0	0	0	0	0	0
447	1,264	7,378,588	2,742	3,628	995	356	8,520
0	330	613,783	19,257	17,930	2,729	36,702	32,706
0	0	3,487,260	0	0	0	74,676	0
0	0	0	0	0	0	0	0
1,377	51,972	11,623,081	449,056	170,079	97,430	261,953	963,813
1,098	672	(10,784,385)	(10,492)	37,684	1,893	(49,855)	(138,313)
0	297	1,714,402	2,429	16,397	60	4,641	3,672
0	(297)	(123,843)	(2,429)	(16,397)	(60)	(4,641)	(3,672)
0	0	0	0	0	0	0	0
0	0	1,590,559	0	0	0	0	0
1,098	672	(9,193,826)	(10,492)	37,684	1,893	(49,855)	(138,313)
9,987	23,521	9,429,530	91,283	380,359	115,450	116,582	313,454
$ 11,085	$ 24,193	$ 235,704	$ 80,791	$ 418,043	$ 117,343	$ 66,727	$ 175,141

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - REGULATORY SERVICES
JUNE 30, 1989

	MOTOR VEHICLE COMMISSION	BOARD OF NURSE REGISTRATION	OPTOMETRY BOARD	OSTEOPATHY BOARD
REVENUES:				
Taxes	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	310,626	475,330	34,545	130,680
Income from money and property	0	0	0	0
Federal funds	0	0	0	0
Other	0	0	0	0
TOTAL REVENUES	310,626	475,330	34,545	130,680
EXPENDITURES:				
Personal services	144,538	521,862	16,059	66,398
Travel	8,456	19,265	4,753	3,267
Contractual services	19,894	72,367	2,596	19,931
Supplies and materials	2,547	10,635	651	367
Equipment	8,296	13,862	25	0
Assistance, retirement and grants	0	0	0	0
Other charges	29,394	9,182	1,174	1,446
Inter/Intra agency payments	8,061	39,305	1,844	450
Payments to local governments	0	0	0	0
Land and structures	0	0	0	0
TOTAL EXPENDITURES	221,186	686,478	27,102	91,859
EXCESS REVENUES OVER (UNDER) EXPENDITURES	89,440	(211,148)	7,443	38,821
OTHER FINANCING SOURCES (USES)				
Transfers in	47,751	62,245	533	24,853
Transfers out	(47,751)	(62,245)	(533)	(24,853)
State appropriations	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	89,440	(211,148)	7,443	38,821
FUND BALANCE, JULY 1, 1988	284,116	1,071,855	82,323	40,499
FUND BALANCE, JUNE 30, 1989	$ 373,556	$ 860,707	$ 89,766	$ 79,320

PEANUT COMMISSION	PECAN COMMISSION	PHARMACY BOARD	BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS	PSYCHOLOGISTS EXAMINERS BOARD	REAL ESTATE COMMISSION	FORESTERS' REGISTRATION BOARD	SANITARIANS' REGISTRATION BOARD
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
230,778	16,128	273,491	405,501	49,546	845,673	1,458	0
10,638	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	43,146	0	0
241,416	16,128	273,491	405,501	49,546	888,819	1,458	0
76,551	15,252	201,691	135,064	30,637	622,383	0	1,693
10,258	1,151	47,911	10,773	4,940	22,625	153	599
35,609	756	22,916	57,010	2,490	99,124	200	0
4,410	145	2,855	26,240	3,429	6,438	0	0
240	0	4,187	0	760	13,541	0	0
0	0	0	0	0	0	0	0
162,513	60	4,112	3,490	1,179	49,092	35	152
43,200	0	7,190	7,879	2,404	71,654	0	0
40,600	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
373,381	17,364	290,862	240,456	45,839	884,857	388	2,444
(131,965)	(1,236)	(17,371)	165,045	3,707	3,962	1,070	(2,444)
15,840	90	64,891	11,733	66	22,676	0	0
(15,840)	(90)	(64,891)	(11,733)	(66)	(22,676)	0	(1,922)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(1,922)
(131,965)	(1,236)	(17,371)	165,045	3,707	3,962	1,070	(4,366)
278,508	13,824	60,260	668,442	33,443	379,424	2,313	4,366
$ 146,543	$ 12,588	$ 42,889	$ 833,487	$ 37,150	$ 383,386	$ 3,383	$ 0

STATE OF OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS
SPECIAL REVENUE FUND - REGULATORY SERVICES
JUNE 30, 1989

	SOCIAL WORKERS' REGISTRATION BOARD	SHEEP & WOOL COMMISSION	BOARD OF EXAMINERS FOR SPEECH PATHOLOGY & AUDIOLOGY	SOYBEAN COMMISSION	TRUCKING INDUSTRY RES/DEV COMMISSION
REVENUES:					
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Licenses, fees and permits	47,529	13,419	16,377	31,000	0
Income from money and property	0	0	0	0	0
Federal funds	0	0	0	0	0
Other	0	0	0	0	400,000
TOTAL REVENUES	47,529	13,419	16,377	31,000	400,000
EXPENDITURES:					
Personal services	33,319	12,470	9,245	6,600	387,303
Travel	2,648	2,096	768	687	0
Contractual services	4,606	0	2,604	12,255	0
Supplies and materials	569	0	921	201	0
Equipment	0	0	154	0	0
Assistance, retirement and grants	0	0	0	0	0
Other charges	5,438	0	105	0	0
Inter/Intra agency payments	0	0	71	12,000	0
Payments to local governments	0	0	0	0	0
Land and structures	0	0	0	0	0
TOTAL EXPENDITURES	46,580	14,566	13,868	31,743	387,303
EXCESS REVENUES OVER (UNDER) EXPENDITURES	949	(1,147)	2,509	(743)	12,697
OTHER FINANCING SOURCES (USES)					
Transfers in	0	55	178	0	0
Transfers out	0	(55)	(178)	0	0
State appropriations	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	949	(1,147)	2,509	(743)	12,697
FUND BALANCE, JULY 1, 1988	50,621	2,185	3,800	11,699	44,445
FUND BALANCE, JUNE 30, 1989	$ 51,570	$ 1,038	$ 6,309	$ 10,956	$ 57,142

USED MOTOR VEHICLE AND PARTS COMMISSION	BOARD OF VETERINARY MEDICAL EXAMINERS	WHEAT UTILIZATION COMMISSION	TOTAL
$ 0	$ 0	$ 0	$ 212,098
0	60,135	928,138	8,593,677
0	0	28,776	724,625
0	0	0	0
372,553	0	3,473	990,542
372,553	60,135	960,387	10,520,942
264,791	28,354	178,642	4,671,874
39,535	11,229	50,137	391,403
40,623	7,367	420,208	3,248,155
6,726	21,756	9,869	360,589
1,988	246	11,581	114,442
0	0	0	0
4,661	223	428,089	8,108,919
2,408	1,382	58,963	1,246,348
0	0	0	3,602,536
0	0	0	0
360,732	70,557	1,157,489	21,744,266
11,821	(10,422)	(197,102)	(11,223,324)
63,803	36	15,981	2,105,584
(63,803)	(11,424)	(15,981)	(528,335)
0	0	0	0
0	(11,388)	0	1,577,249
11,821	(21,810)	(197,102)	(9,646,075)
181,084	145,265	294,498	16,235,630
$ 192,905	$ 123,455	$ 97,396	$ 6,589,555

STATISTICAL AND ECONOMIC DATA (UNAUDITED)

STATE OF OKLAHOMA
STATE COLLEGES

HIGHER EDUCATION INSTITUTIONS - PRIVATE

1. University of Tulsa
2. Bartlesville Wesleyan College
3. Southern Nazarene College
4. Flaming Rainbow/UWW
5. Midwest Christian College
6. Oklahoma Baptist University
7. Oklahoma Christian College
8. Oklahoma City University
9. Oklahoma Missionary Baptist College
10. Oral Roberts University
11. Phillips University
12. Bacone College
13. Hillsdale Free Will Baptist College
14. St. Gregory's College
15. Southwestern College of Christian Ministries
16. Spartan College of Aeronautics
17. Oklahoma School of Business and Technology
    (Oklahoma City Branch and Tulsa Branch)
18. Mid-America Bible College

STATE OF OKLAHOMA
STATE COLLEGES AND UNIVERSITIES

HIGHER EDUCATION INSTITUTIONS - PUBLIC

1. University of Oklahoma (Norman Campus, Law City Center, and Geological Survey).
2. University of Oklahoma Health Sciences Center
3. Oklahoma State University (Stillwater Campus, School of Technical Training at Okmulgee, the College of Veterinary Medicine, the Oklahoma City Technical Institute, the Agricultural Experiment Station, the Agricultural Extension Division, and Oklahoma College of Osteopathic Medicine and Surgery).
4. Central State University
5. East Central State University
6. Northeastern State University
7. Northwestern State University
8. Southeastern State University
9. Southwestern State University
10. Cameron University
11. Langston University
12. Panhandle State University
13. University of Science and Arts
14. Carl Albert Junior College
15. Connors State College
16. Eastern Oklahoma State College
17. El Reno Junior College
18. Murray State College
19. Northeastern Oklahoma A&M College
20. Northern Oklahoma College
21. Oklahoma City Community College
22. Rogers State College
23. Rose State College
24. Seminole Junior College
25. Tulsa Junior College
26. Western Oklahoma State College

STATE OF OKLAHOMA
TAX RATES

BASIS FOR ASSESSMENT OF:

Personalty - 35% of fair cash value, except stocks of goods assessed on basis of certain average values. For 1982 and subsequent, the Oklahoma Supreme Court has ordered all taxable property be assessed at 12% of taxable value with permissible intercounty deviations of not more than 3% above or below mean ratio.

Realty - Not greater than 35% of fair cash value for the highest and best use for which property was actually used, or was previously classified for use, during the calendar year next preceding the first day of January on which the assessment is made. For the tax year 1982 and subsequently, the Oklahoma Supreme Court has ordered that all taxable property be assessed at 10-15% of taxable value with permissible intercounty deviations of not more than 3% above or below mean ratio.

STATE OF OKLAHOMA
TAX COLLECTIONS
1979 THRU 1989

Taxes	1979	1980	1981	1982	1983
Alcoholic Beverage Excise Tax	$ 20,641,800	$ 20,032,716	$ 19,659,551	$ 24,968,902	$ 18,436,200
Aircraft Excise Tax	0	0	0	0	0
Beverage Tax	16,820,885	17,353,339	18,624,928	20,265,073	20,121,477
Bus Mileage Tax	136,325	169,874	155,931	131,674	136,141
Documentary Stamp	4,524,494	4,534,934	4,771,362	4,819,187	5,440,874
Cigarette Tax	45,778,883	76,335,391	73,597,485	78,535,408	77,767,801
Conservation Excise Tax	36,026,743	27,628,708	21,775,166	16,129,306	11,994,390
Franchise Tax	13,283,909	16,306,667	17,744,226	21,006,311	26,053,164
Freight Car Tax	489,012	618,295	884,246	911,490	1,247,319
Fuels Excise Tax	1,575,303	1,470,131	1,446,598	1,534,963	1,529,205
Gasoline Excise Tax	117,895,914	108,732,506	105,696,596	110,910,281	100,939,838
Gross Production Tax	241,994,676	405,070,167	558,067,120	718,808,644	761,250,105
Income Tax	408,869,785	464,900,589	489,992,806	618,228,275	749,565,268
Inheritance & Estate Tax	25,443,372	26,556,792	36,761,779	40,415,285	32,639,844
Unclaimed Property Tax	134,641	264,336	272,447	358,291	536,610
Insurance Premium Tax	49,555,803	50,512,158	71,733,295	32,082,418	86,203,919
Assessments-Workers' Comp. Awards	1,155,210	1,460,348	1,878,067	2,154,522	3,293,681
Workers' Comp. Ins. Premium Tax	2,424,093	3,568,354	4,185,883	4,423,721	4,944,991
Motor Vehicle Excise Tax	46,695,089	52,056,651	62,365,246	72,478,196	61,302,217
Vehicle Revenue Tax	15,461	15,300	13,937	15,691	15,507
Boat & Motor Excise Tax	925,882	1,194,419	900,388	1,067,442	1,246,303
Rental Tax on Motor Vehicles	0	0	0	0	154,931
Pari-Mutuel Taxes	0	0	0	0	0
Pari-Mutuel Exotic Wager	0	0	0	0	0
Pari-Mutuel Pick\Six Tax	0	0	0	0	0
Petroleum Excise Tax	2,960,336	4,842,378	6,922,413	8,635,665	8,996,079
Rural Electric Co-operative Tax	4,971,287	5,671,364	7,237,711	8,396,415	11,205,056
Sales Tax	257,920,365	294,939,759	356,649,450	436,851,376	380,721,917
City Sales Tax	3,098,156	3,493,206	3,767,099	2,859,671	568
Special Fuel Use Tax	11,301,362	335,267	406,323	482,627	446,523
Special Fuel Decal	176,939	522,182	861,218	1,055,832	996,605
Diesel Fuel Excise Tax	7,027,537	19,671,539	20,663,122	23,499,482	23,834,741
Tobacco Products Tax	4,172,618	4,433,739	3,659,127	3,412,325	3,433,528
Use Tax	18,693,695	20,785,659	25,999,777	42,100,549	28,408,488
Collect/Dep. City Use Tax	0	0	0	0	0
Occupational Health & Safety Tax	223,155	311,429	384,362	452,043	658,681
Other Taxes	1,746,669	2,171,062	2,347,527	3,000,572	3,168,211
Income Tax Res. (Prior Year)	0	0	120,192,748	132,727,483	168,829,363
Gift Tax	1,079,907	1,620,973	2,154,808	143,769	0
Mixed Beverage Gross Receipts Tax	0	0	0	0	0
Sales Vendors Lists	0	0	0	0	0
Sales Tax Permit	0	0	0	0	0
Tag Agent Remittance Tax	0	0	0	0	0
Group Self-insurance Prem. Tax	0	0	0	0	0
County Sales Tax	0	0	0	0	0
Telephone Surcharge	0	0	0	0	0
Coin Oper Device Decal	0	0	0	0	0
Tourism Gross Receipt Tax	0	0	0	0	0
Unclassified Tax Receipts	0	0	0	0	0
Total	$ 1,347,759,306	$ 1,637,580,232	$ 2,041,772,742	$ 2,432,862,889	$ 2,595,519,545

1984	1985	1986	1987	1988	1989
$ 21,120,938	$ 23,328,848	$ 21,120,555	$ 21,881,705	$ 22,214,581	$ 21,536,591
0	1,103,044	1,149,716	1,017,326	1,015,552	2,287,367
18,583,550	18,232,271	18,413,386	18,136,392	19,919,603	20,008,678
120,437	109,032	5,968	0	0	0
7,146,780	6,596,630	5,758,091	5,351,399	5,040,471	4,470,220
74,396,687	72,046,774	68,981,588	65,865,910	77,888,675	71,983,400
11,140,437	9,035,706	7,177,378	6,482,791	3,656,930	2,708,157
29,602,595	30,840,958	31,169,123	31,545,284	28,931,715	31,229,430
1,246,956	1,240,982	1,184,426	750,665	1,126,371	924,943
1,529,533	1,514,196	1,505,930	1,542,794	1,414,686	1,493,381
115,115,414	152,641,088	164,639,197	164,540,443	258,242,792	255,760,913
694,951,766	691,359,849	566,304,982	354,297,027	376,687,550	362,252,512
737,382,128	833,002,927	816,500,830	764,353,909	900,283,045	1,070,523,781
31,673,548	38,075,279	39,545,439	47,392,660	39,851,538	36,016,804
4,249,055	3,790,489	3,464,839	4,375,908	3,247,327	4,014,133
67,966,841	69,355,505	71,905,261	64,474,663	124,877,675	130,254,455
3,425,989	4,599,960	6,644,239	8,248,480	7,681,032	7,586,525
11,116,996	2,805,809	3,613,584	3,914,455	3,625,584	3,731,544
57,437,845	59,273,625	0	0	0	0
12,897	12,636	15,062	27,318	32,047	34,605
1,397,899	1,370,859	0	0	0	0
500,909	606,828	0	0	0	0
0	2,098,760	1,471,348	1,020,283	1,016,656	4,095,103
0	25,144	208,312	436,006	483,115	1,626,526
0	0	0	90,198	124,095	617,371
8,195,563	8,397,877	6,818,829	4,219,168	4,556,465	4,390,949
12,721,744	12,537,918	12,440,523	11,795,434	12,026,972	12,381,751
432,460,367	595,013,537	617,443,790	581,637,904	719,501,500	737,982,515
1,690,684	4,884,412	5,236,020	5,013,423	5,069,927	5,258,013
366,847	460,058	453,117	454,941	641,682	581,359
879,851	770,605	708,578	570,865	580,677	548,963
25,961,559	34,594,940	40,508,808	37,023,003	49,494,439	52,348,344
3,284,041	3,220,197	6,942,518	7,469,570	7,588,428	7,773,135
22,946,520	30,024,918	33,207,742	26,819,926	31,916,562	34,155,843
0	12,508	77,727	91,566	100,280	110,031
686,721	896,376	904,783	1,049,230	967,327	954,296
2,801,928	2,899,331	4,520,403	5,644,290	5,029,881	4,137,096
0	0	0	0	0	0
0	0	900,000	6,210	0	0
0	0	9,793,850	9,910,126	11,006,317	11,033,139
0	0	1,050	2,550	3,209	2,325
0	0	659,824	809,067	295,826	631,116
0	0	360,230,338	333,223,446	346,570,940	359,026,573
0	0	0	23,084	55,840	77,983
0	0	0	208,452	328,241	332,159
0	0	0	633,910	834,843	839,508
0	0	0	0	724,381	3,871,644
0	0	0	0	1,073,877	1,985,331
0	0	0	0	897,732	42,736
$ 2,402,115,025	$ 2,716,779,876	$ 2,931,627,154	$ 2,592,351,781	$ 3,076,626,386	$ 3,271,621,248

STATE OF OKLAHOMA
REVENUES AND EXPENDITURES
BY CATEGORY
FOR THE YEARS 1979 THROUGH 1989

	1979	1980	1981	1982
Revenues by Source:				
Taxes	$ 1,347,759,306	$ 1,637,580,232	$ 2,041,772,742	$ 2,432,862,889
Licenses, Permits, & Fees	149,567,543	159,786,508	174,618,014	209,844,760
Fines, Forfeits, & Penalties	522,260	564,542	591,068	736,231
Income From Money and Property	120,446,612	162,665,965	189,538,800	258,612,142
Grants, Refunds, and Reimbursements	818,567,258	951,358,894	1,030,528,899	1,037,326,128
Higher Education	48,126,570	49,732,023	58,222,058	57,102,393
Sales & Services	92,886,730	106,323,349	113,285,364	137,286,679
Non-Revenue Receipts	219,600,562	285,148,358	373,335,119	571,935,282
Total Collections	$ 2,797,476,841	$ 3,353,159,871	$ 3,981,892,064	$ 4,705,706,504
Expenditures by Function of Government:				
Education	$ 1,094,569,813	$ 1,284,695,387	$ 1,494,540,145	$ 1,725,043,392
General Government	100,120,256	105,584,343	113,147,166	116,657,495
Health Services	77,667,530	92,675,599	117,524,000	152,994,782
Legal & Judiciary	18,802,065	22,189,619	26,797,230	32,096,402
Museums	5,144,051	3,574,752	4,661,400	5,644,091
Natural Resources	49,137,796	59,780,108	72,944,964	83,076,484
Public Safety & Defense	90,293,141	101,812,974	119,342,861	141,804,066
Regulatory Services	31,664,285	37,535,016	45,323,595	54,516,880
Social Services	893,289,421	1,128,689,991	1,364,604,073	1,721,723,942
Transportation	328,509,822	386,873,914	441,771,621	450,302,578
Other Local Apportionments	7,828,239	8,999,903	8,642,943	11,329,228
Sinking Fund Payments On Bonded Debt	26,685,584	44,975,295	40,396,881	22,921,907
Total Expenditures	$ 2,723,712,003	$ 3,277,386,901	$ 3,849,696,879	$ 4,518,111,247

1983	1984	1985	1986	1987	1988	1989
$ 2,595,519,545	$ 2,402,115,025	$ 2,716,759,876	$ 2,931,627,154	$ 2,592,351,781	$ 3,076,626,386	$ 3,271,621,248
216,037,098	227,101,054	237,296,692	58,491,223	66,898,468	69,981,362	71,901,507
1,136,871	1,681,318	1,885,395	2,455,858	3,628,559	4,194,923	4,594,677
241,910,853	218,817,008	254,887,589	252,650,592	302,472,930	311,809,310	194,064,413
1,378,725,014	1,297,563,264	1,331,198,100	1,504,856,048	1,566,600,976	1,533,990,868	1,836,159,992
64,822,554	67,986,107	72,616,274	70,544,426	77,497,692	95,090,396	116,253,845
175,703,191	196,231,507	204,579,313	207,912,544	209,719,082	236,706,735	257,067,619
165,578,336	193,690,737	177,988,359	227,636,252	199,068,098	170,319,444	320,755,068
$ 4,839,433,462	$ 4,605,186,020	$ 4,997,211,598	$ 5,256,174,097	$ 5,018,237,586	$ 5,498,719,424	$ 6,072,418,369
$ 1,976,207,950	$ 1,879,640,791	$ 1,928,473,960	$ 2,148,421,375	$ 2,018,172,787	$ 2,089,671,253	$ 2,317,485,881
140,461,089	155,144,997	174,477,281	207,481,887	202,267,659	215,286,547	245,470,408
193,915,455	195,441,899	197,500,414	208,086,040	197,301,960	197,251,821	221,851,629
41,348,577	45,410,525	50,383,373	56,301,640	54,841,235	58,278,344	64,349,921
5,856,148	4,816,343	4,776,388	4,809,975	4,645,803	4,548,471	4,803,043
92,180,980	84,938,452	86,727,389	98,371,754	94,813,794	87,111,726	93,364,416
190,328,209	199,409,918	197,270,436	216,482,727	215,267,893	220,239,334	247,220,558
55,663,735	59,494,462	64,883,569	77,558,978	79,007,020	78,806,091	62,004,860
1,556,635,266	1,380,248,923	1,375,043,159	1,527,803,818	1,594,523,265	1,567,836,371	1,680,023,498
506,913,116	491,478,322	542,219,334	594,706,533	558,520,524	623,666,821	644,184,846
9,295,984	10,207,995	11,169,133	10,198,216	10,158,745	9,896,998	14,836,687
21,697,891	23,353,018	40,604,829	22,170,570	23,348,846	21,272,670	18,806,600
$ 4,790,504,400	$ 4,529,585,645	$ 4,673,529,265	$ 5,172,393,513	$ 5,052,869,531	$ 5,173,866,447	$ 5,614,402,347

STATE OF OKLAHOMA
DEPARTMENT OF EDUCATION
SCHOOL ENROLLMENTS
FOR THE YEARS 1980 THROUGH 1989

	1980	1981	1982	1983
PUBLIC SCHOOL ENROLLMENTS:				
Kindergarten	44,792	40,776	47,747	49,881
Elementary	260,851	263,799	267,258	265,423
Junior High School	117,493	117,681	120,366	126,391
Senior High School	162,284	157,540	153,891	148,742
Non-High School Districts(Grades 1-8)	19,145	18,924	18,792	18,995
Special Education	12,386	12,526	12,727	13,198
Total	616,951	611,246	620,781	622,630
HIGHER EDUCATION:				
Public	140,981	145,383	150,359	155,115
Private	23,241	23,365	22,972	22,623
Total	164,222	168,748	173,331	177,738
VOCATIONAL-TECHNICAL EDUCATION:				
37 Schools, 41 Campuses	19,135	19,249	19,205	21,737

1984	1985	1986	1987	1988	1989
49,417	50,639	51,988	51,672	52,037	50,920
259,474	256,571	257,670	257,744	259,075	262,553
128,614	125,604	117,200	111,556	107,227	108,369
148,223	149,556	158,543	160,274	157,539	151,096
19,017	18,536	18,455	17,924	18,170	18,455
13,139	13,176	14,075	13,553	13,690	14,378
617,884	614,082	617,931	612,723	607,738	605,771
149,612	152,095	144,653	153,764	155,699	155,661
23,190	23,271	21,801	23,375	23,485	24,620
172,802	175,366	166,454	177,139	179,184	180,281
22,400	22,612	22,994	23,382	24,320	26,241

STATE OF OKLAHOMA
BANK DEPOSITS
FOR THE YEARS 1979 THROUGH 1989

	# of Banks	$ Amount of Deposits
1979	489	16,891,716,000
1980	494	19,338,690,000
1981	500	23,715,183,000
1982	508	25,185,140,000
1983	525	26,084,046,000
1984	535	27,408,618,000
1985	533	27,353,988,000
1986	510	25,170,602,000
1987	485	23,539,958,000
1988	458	22,755,315,000
1989	*	*

* Unavailable

STATE OF OKLAHOMA
POPULATION ESTIMATE
FOR THE YEARS 1980 THROUGH 1989

	1980	1981	1982	1983
Population (estimates)	3,025,000	3,102,000	3,226,000	3 298,000
Labor Force	1,368,000	1,447,000	1,486,000	1,552,000
Total Employment	1,302,000	1,395,000	1,401,000	1,412,000
OK Unemployment Rate	4.8%	3.6%	5.7%	9.0%
U.S. Unemployment Rate	7.2%	7.6%	9.7%	9.6%
Land Area-Ranks 18th In Area	*	*	*	*
Land	*	*	*	*
Water	*	*	*	*

* Unavailable

1984	1985	1986	1987	1988	1989
3,310,000	3,301,000	3,305,000	3,272,000	3,278,000	3,281,000
1,555,000	1,573,000	1,593,000	1,564,000	1,517,100	1,504,000
1,446,000	1,462,000	1,462,000	1,449,000	1,419,200	1,392,704
7.0%	7.1%	8.2%	7.4%	6.5%	7.4%
7.5%	7.2%	7.0%	6.1%	5.5%	6.2%
*	*	69,956	*	69,957	69,956
*	*	68,655	*	68,656	68,655
*	*	1,301	*	1,301	1,301

STATE OF OKLAHOMA
ASSESSED VALUATIONS
FOR THE YEARS 1979 THROUGH 1989

	1979	1980	1981	1982
Real Estate & Improvements	$ 4,161,437,538	$ 4,575,967,207	$ 4,894,740,336	$ 5,435,939,281
Personal Property Subject To Tax	1,181,154,147	1,299,098,843	1,407,905,692	1,610,835,393
Total Locally Assessed	5,342,591,685	5,875,066,050	6,302,646,028	7,046,774,674
Homestead Exemptions Allowed	658,580,678	672,863,231	681,792,515	684,516,296
Net Assessed Locally	4,684,011,007	5,202,202,819	5,620,853,513	6,362,258,378
Public Service Assessment	1,402,060,759	1,526,826,995	1,645,813,587	1,733,671,253
Net Assessed Valuation	$ 6,086,071,766	$ 6,729,029,814	$ 7,266,667,100	$ 8,095,929,631

1983	1984	1985	1986	1987	1988	1989
$ 5,796,335,842	$ 8,772,584,429	$ 7,047,987,592	$ 7,300,023,487	$ 7,618,401,728	$ *	$ *
1,631,201,139	2,249,870,712	1,757,107,925	1,787,727,758	1,791,565,856	*	*
7,427,536,981	11,022,455,141	8,805,095,517	9,087,751,245	9,409,967,584	*	*
692,034,028	862,447,330	723,131,619	724,000,251	721,778,553	*	*
6,735,502,953	10,160,007,811	8,081,963,898	8,363,750,994	8,688,189,031	*	*
1,778,200,959	2,379,624,612	1,801,904,755	1,873,102,144	1,894,166,293	*	*
$ 8,513,703,912	$ 12,539,632,423	$ 9,883,868,653	$ 10,236,853,138	$ 10,582,355,324	$ *	$ *

* Unavailable

STATE OF OKLAHOMA
NONAGRICULTRAL WAGE & SALARY EMPLOYMENT
(Annual Averages In Thousands of Employees)

INDUSTRY GROUP	1979	1980	1981	1982	1983	1984
Manufacturing	184.4	191.4	200.0	180.6	166.2	175.0
Mining	61.0	74.9	100.0	105.6	77.7	72.0
Construction	59.2	57.1	54.8	55.7	52.5	52.3
Transportation & Public Utilities	66.1	68.6	70.2	66.2	66.2	66.3
Wholesale & Retail Trade	256.7	266.4	277.2	289.5	284.5	287.9
Finance, Insurance & Real Estate	53.5	56.5	58.7	61.1	62.9	64.3
Services	183.2	194.8	204.6	216.1	215.7	221.1
Federal Government	48.1	48.5	47.8	48.9	48.9	49.8
State Government	175.8	179.9	187.8	188.4	70.8	69.0
Local Government	*	*	*	*	125.5	122.7
TOTALS	1,088.0	1,138.1	1,201.1	1,212.1	1,170.9	1,180.4

* State & local government totals are combined

1985	1986	1987	1988	1989
171.4	160.3	156.8	162.9	163.2
65.4	51.8	46.0	44.9	43.2
45.0	38.0	34.5	34.5	35.0
64.7	64.2	63.2	62.1	65.0
286.5	276.2	270.4	274.0	275.5
63.2	62.4	59.8	59.0	58.2
222.9	224.7	232.6	248.0	259.0
51.4	53.4	52.9	49.8	51.2
69.7	68.8	67.8	69.2	73.1
124.3	124.6	124.7	128.6	129.8
1,164.5	1,124.4	1,108.7	1,133.0	1,153.2

STATE OF OKLAHOMA
INDUSTRY EMPLOYERS-BY PLANTS
1989

SIC *	INDUSTRY	PLANTS	0-20	21-100	101-499	500+
2572	Commercial Printing, Lithographic	376	342	27	7	0
3599	Industrial Machinery	279	232	39	8	0
2711	Newspapers	186	144	35	4	3
3533	Oil and Gas Field Machinery	179	121	36	19	3
3443	Fabricated Plate Work	169	93	58	16	2
3089	Plastics Products	129	86	34	8	1
3273	Ready Mixed Concrete	108	86	18	4	0
3444	Sheet Metalwork	96	69	23	4	0
3272	Concrete Products	77	58	15	4	0
3714	Motor Vehicle Parts and Accesories	75	39	20	14	2
3993	Signs & Advertising Specialties	73	64	6	3	0
2011	Meat Packing Plants	64	54	7	3	0
2048	Prepared Feeds	57	36	19	2	0
3441	Fabricated Structural Metal	47	23	21	3	0
2759	Commercial Printing	47	39	7	1	0
3823	Process Control Instruments	47	27	18	2	0
2499	Wood Products	47	42	2	2	0
3561	Pumps and Pumping Equipment	46	25	10	9	2
3523	Farm Machinery and Equipment	45	34	8	3	0
2099	Food Preperations	43	29	10	4	0

* State Industry Code

STATE OF OKLAHOMA
GROSS SALES TAX
BY INDUSTRY
1989

Industry	SIC*	GROSS SALES TAX
Food Stores	54	$ 149,469,911
General Merchandise Stores	53	110,344,231
Miscellaneous Retail Stores	59	88,903,536
Eating and Drinking Places	58	67,757,145
Building Materials	52	44,081,306
Durable Goods	50	41,496,798
Communications	48	37,745,164
Furniture	57	36,939,175
Auto Dealers & Service Stations	55	35,165,244
Electricity, Gas, and Sanitary Services	49	27,845,375
Apparel and Accessory Stores	56	23,519,916
Business Services	73	22,872,961
Hotels, Motels, and Rooming	70	10,736,754
Wholesale Trade-Nondurable	51	8,992,647
Automotive Services	75	8,804,748
Amusement Services	79	6,531,002
Miscellaneous Personal Services	72	6,469,403
Motion Pictures	78	1,922,223
Non-classified Establishments	99	1,747,545
Miscellaneous Repair Services	76	1,599,497
Educational Services	82	1,518,986
Oil and Gas Field Services	13	1,353,082
Membership Organizations	86	784,963
Stone, Clay, Glass, and Concrete	32	528,749
Passenger Transportation	41	516,965
Printing and Publishing	27	481,118
Petroleum Refining	29	320,863
Machinery, except Electric	35	291,068
Food Products	20	226,713
Miscellaneous Manufacturing Industries	39	225,502
Credit Agencies	61	206,988
Measurement, Analysis, and Control Equipment	38	134,409
Health Services	80	104,526
Air Transportation	45	100,071
Miscellaneous Non-Metal Minerals	14	99,655
Transportation Equip.	37	93,535
Rubber and Miscellaneous Plastics	30	90,137
Chemicals & Related Products	28	69,231
Special Trade Contractors	17	69,117
Fabricated Metal Products	34	67,900
Electricity and Electric Machinery	36	64,970
Museums	84	48,604
Travel Agencies	47	33,820
Motor Freight Transportation	42	29,206
Textile Mill Products	22	28,669
Miscellaneous Services	89	27,468
Railroad Transportation	40	24,185
General Contractors	15	22,922
Security Brokers	62	17,520
Lumber and Wood Products	24	16,524
Engineering, Architecture, and Survey	87	14,082
Apparel (fabrics)	23	12,305
Insurance	63	10,124
Total sales tax		$ 740,578,558

* State Industry Code

HISTORICAL TREND INFORMATION FOR PUBLIC EMPLOYEES RETIRMENT SYSTEMS

STATE OF OKLAHOMA
HISTORICAL TREND INFORMATION
FOR THE FISCAL YEAR JUNE 30, 1989

Teachers' Retirement System of Oklahoma (TRSO)

Revenue by Source

	Employee Contributions	State Appropriations and Various Federal Sources	(Unaudited) State Appropriations and Various Federal Sources As A Percentage of Annual Covered Payroll	Net Investment Income	Total
1989 (1)	$ 100,893,240	$ 132,469,504	8.2%	$ 147,123,656	$ 380,486,400
1988 (2)	95,552,682	121,426,909	8.1	129,199,232	346,178,823
1987	82,432,408	123,465,244	8.2	176,721,547	382,619,199
1986	96,442,486	128,211,082	9.2	141,679,312	366,332,880
1985	69,140,739	127,870,696	10.7	129,580,681	326,592,116
1984	70,976,322	127,614,166	10.6	110,011,515	308,602,003
1983	76,466,045	127,669,257	10.6	105,414,524	309,549,826
1982	48,208,433	127,245,234	14.1	65,074,033	240,527,700

Expenses by Type

	Benefits	Expenses	Refunds	Other	Total
1989	$ 265,550,823	$ 1,653,034	$ 18,334,612	$ 36,300,000	$ 321,838,469
1988 (2)	230,144,148	1,733,829	15,865,723	3,300,000	251,043,700
1987 (3)	187,782,384	1,323,488	15,293,433	-	204,399,305
1986 (3)	154,528,142	1,559,251	12,704,866	-	168,792,259
1985	128,647,044	1,787,389	13,182,332	-	143,616,765
1984	120,493,275	1,640,434	10,123,129	-	132,256,838
1983	116,016,900	1,816,522	9,082,477	-	126,915,899
1982	90,452,701	1,344,748	9,723,704	-	101,521,153

Analysis of Funding Progress

Fiscal Year	(1) Net Assets Available for Retirement Benefits (at Cost)	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) (Unaudited) Annual Covered Payroll	(6) (Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
1989	$ 1,722,681,239	$ 4,108,284,000	41.9%	$ 2,385,602,761	$ 1,610,000,000	148.1%
1988	1,678,430,905	3,326,151,000	50.5	1,647,720,095	1,500,000,000	109.8
1987	1,596,635,541	2,992,093,000	54.6	1,395,457,459	1,500,000,000	93.0

The summary is shown only for the three years available. Additional years will be added as data becomes available.

Teachers' Retirement System of Oklahoma (TRSO) (cont.)

(1) Effective July 1, 1988, House Bill #1731 provided that the System will be apportioned 78% of the natural and casinghead gas tax collected in any one year to a maximum of $175,000,000 from the State of Oklahoma. State appropriations were formerly limited to $125,000,000.

In addition, House Bill #1533 allows members a three-year period from the date of a member's "initial opportunity" to elect to make contributions on salaries exceeding $25,000 limited to $40,000. During this period, a member may change their initial election resulting in a change in a member's contribution rate and corresponding adjustment to prior contributions through payment of additional contributions due to the System or refund of contributions owed by the System.

(2) Effective July 1, 1987, House Bill #1473 provided for the following changes regarding contributions and benefits:

- Allowed certain members who had previously participated in the Oklahoma Public Employees Retirement System to transfer to Teachers' Retirement System.
- Provided the option for members to contribute 10% of the annual regular compensation in excess of $25,000 but limited to $40,000.
- Provided the option for members to retire July 1, 1987 through December 31, 1987 at a higher monthly benefit by contributing 30% of their average compensation in excess of $25,000 but limited to $40,000 for the past three years.
- Increased the maximum base salary for classified personnel from $9,500 to $11,500 and for support personnel the base salary increased from $7,500 to $9,500.

(3) Senate Bill #5 provided the following changes regarding contributions and benefits:

- Effective July 1, 1986, all retirees currently receiving benefits received a flat 6% benefit increase.
- Effective July 1, 1985, the current base salary was increased $1,000 for classified personnel and $500 for unclassified personnel.

Oklahoma Public Employees' Retirement System (OPERS)

Revenue by Source

	Legislative Appropriations	Employee Contributions	State and Local Agency Contributions	(Unaudited) State Agency Contributions As a Percentage of Annual Covered Payroll	Investment Income	Total
1989	$ -	$ 21,334,889	$ 111,891,841	12.2%	$ 100,759,064	$ 233,985,794
1988	-	4,663,385	65,309,077	8.2	119,117,015	189,089,477
1987	-	18,921,515	116,296,844	14.6	116,444,706	251,663,065
1986	3,500,000	16,266,908	96,832,804	12.9	102,852,232	219,451,944
1985	-	15,191,218	89,222,383	12.7	78,596,028	183,009,629
1984	-	15,300,536	88,799,326	12.7	62,231,024	166,330,886
1983 (1)	-	14,438,922	88,093,797	13.3	60,322,994	162,855,713
1982 (1)	-	6,853,313	69,062,443	12.2	43,783,893	119,699,649
1981 (1)	-	2,450,989	56,338,544	12.4	34,870,982	93,660,515
1980 (1)	-	2,268,348	48,105,363	12.3	23,008,653	73,382,364

Expenses by Type

	Benefits	Administrative Expenses	Refunds	Total
1989	$ 99,070,128	$ 1,232,462	$ 2,340,999	$ 102,643,589
1988	83,869,717	797,820	2,856,473	87,524,010
1987	73,986,974	785,851	3,399,733	78,172,558
1986	59,136,955	803,562	3,438,628	63,379,145
1985	44,254,633	676,634	6,737,188	51,668,455
1984	39,762,544	672,922	2,301,745	42,737,211
1983 (1)	34,853,553	682,507	1,060,545	36,596,605
1982 (1)	28,042,933	444,992	881,486	29,369,411
1981 (1)	22,643,329	367,610	809,589	23,820,528
1980 (1)	18,546,299	306,080	779,218	19,631,597

(1) Amounts shown for these years are unaudited.

Analysis of Funding Progress

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Unaudited Annual Covered Payroll	(6) (Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
1989	$ 1,439,543,102	$ 1,737,096,858	82.87%	$ 297,553,756	$ 918,306,232	32.40%
1988	1,308,200,897	1,551,922,433	84.30%	243,721,536	787,048,635	30.97%

These summaries are shown for the years available. Additional years will be added as data becomes available.

Oklahoma Firefighters Pension and Retirement System (OFPRS)

Fiscal Year	Revenues by Source Contributions	Investment Income	Insurance Premium Taxes	State Appropriations	Total
1989	$ 15,510,891	$ 49,852,091	$ 30,266,715	$ -	$ 95,629,697
1988	15,314,958	9,609,547	21,514,977	-	46,439,482
1987	14,252,285	19,514,016	15,168,256	-	48,934,557
1986	14,089,247	42,874,016	14,436,894	17,684,430	89,084,587
1985	6,528,229	19,466,162	12,724,135	18,802,000	57,520,526
1984	12,844,016	11,579,360	11,719,531	10,592,000	46,734,907

Fiscal Year	Expenses by Type Benefits and Refunds	Investment Expenses	Administrative Expenses	Total
1989	$ 37,174,950	$ 1,283,791	$ 465,734	$ 38,924,475
1988	32,254,563	1,132,614	386,079	33,773,256
1987	29,532,458	768,969	439,256	30,740,683
1986	26,061,374	356,371	390,222	26,807,967
1985	11,503,447	128,342	329,988	11,961,777
1984	22,651,904	430,704	300,107	23,382,715

Fiscal Year	-Analysis of Funding Progress Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1989	$ 407,945,389	$ 836,264,589	49%	$ 428,319,200	$ 83,053,812	516%
1988	351,240,167	762,038,449	46	410,798,282	79,834,938	515

The summary above is shown only for the years available. Additional years will be added as data becomes available.

Oklahoma Police Pension and Retirement System (OPPRS)

Revenue by Source
(Thousands)

Year Ending	Employee Contributions	Employer Contributions	State Contributions	Investment Income	Total
December 31, 1984	$ 5,376	$ 6,720	$ 19,244	$ 14,999	$ 46,339
Six months ended:					
June 30, 1985	2,729	3,411	6,498	19,530	32,168
June 30, 1986	5,699	7,123	21,250	42,218	76,290
June 30, 1987	5,754	7,192	20,382	28,428	61,756
June 30, 1988	6,060	7,575	10,725	1,288	25,648
June 30, 1989	6,482	8,103	12,198	54,205	80,988

Expenses by Type
(Thousands)

Year Ending	Benefits	Administrative Expenses	Refunds	Total
December 31, 1984	$ 10,599	$ 435	$ 928	$ 11,962
Six months ended:				
June 30, 1985	5,450	181	453	6,084
June 30, 1986	12,190	473	926	13,589
June 30, 1987	13,866	632	949	15,447
June 30, 1988	15,365	1,165	904	17,434
June 30, 1989	18,683	1,278	986	20,947

Analysis of Funding Progress
(Millions)

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1987	$ 311	$ 386	81%	$ 75	$ 70	107%
1988	320	425	75	105	76	138
1989	379	468	81	88	83	106

Oklahoma Law Enforcement Retirement System (OLERS)

Year Ended June 30	Member Contributions	Employer State Agencies Contributions	Other State Sources	(Unaudited) Other State Sources As a Percentage of Covered Payroll	Legislative Appropriations	Net Investment Income	Total
	Revenue by Source						
1989 (6)	$ 2,336,946	$ 2,681,389	$ 9,385,505	33.8%	$ -	$ 11,555,840	$ 25,959,680
1988 (6)	2,082,138	2,505,033	6,155,408	23.9	-	7,818,862	18,561,441
1987 (3)(4)	2,063,076	2,578,883	4,971,869	19.3	5,714,695	7,497,805	22,826,328
1986 (1)	2,305,561	2,860,961	5,796,169	(7)	5,323,000	12,625,435	28,911,126
1985 (1)	1,861,940	2,305,887	5,322,063	(7)	2,642,000	5,732,342	17,864,232
1984 (1)(2)	1,822,373	2,277,967	5,267,539	(7)	2,642,000	4,004,191	16,014,070
1983 (1)	1,774,310	2,217,268	5,357,578	(7)	2,642,000	2,951,223	14,942,379
1982 (1)(6)	961,015	1,089,768	5,025,090	(7)	-	1,532,914	8,608,787

Fiscal Year	Benefits	Administrative Expenses	Refunds	Total
	Expenses by Type			
1989 (8)(9)	$ 9,284,939	$ 117,[illegible]	$ 171,602	$ 9,573,828
1988	7,715,605	86,[illegible]	143,683	7,945,896
1987 (3)(4)	7,064,782	59,947	245,768	7,370,497
1986 (1)	5,342,549	29,654	125,727	5,497,930
1985 (1)	3,725,789	49,128	154,506	3,929,423
1984 (1)(2)	3,315,127	44,634	67,040	3,426,801
1983 (1)	3,012,555	41,323	45,873	3,099,751
1982 (1)	2,354,875	29,301	31,185	2,415,361

Investment income has been restated to conform to NCGAS No. 6 (See note 5).

(1) Amounts shown for these years are unaudited.

(2) Effective July 1, 1983, the Oklahoma Legislature made the following changes to the System:

- Provided for law enforcement officers of the Alcoholic Beverage Control Board to participate in the plan.
- Increased the state contribution from 6% to 8%.

(3) Effective July 1, 1986, the Oklahoma Legislature determined that the law enforcement officers of the Park Rangers of the Oklahoma Tourism and Recreation Department could be covered by the Plan.

(4) During 1987, the System provided for service credit for unused sick leave.

(5) Effective April 1, 1988, the Oklahoma Legislature passed House Bill 2013 which apportioned 5% of the insurance premium taxes collected by the state to the System.

(6) In 1982, 1988 and 1989 the Oklahoma Legislature did not apportion any additional funds to the System.

(7) Covered payroll information was not available for these years.

Oklahoma Law Enforcement Retirement System (OLERS) (cont...)

(8) Effective July 1, 1988, the Oklahoma Legislature removed the 30-year maximum allowable service credit for those members who came on the System after July 1, 1980.

(9) Effective July 1, 1988, the final average salary in which retirement benefits are computed was raised to $2,217 from $2,117, for members who retired prior to July 1, 1985. In addition, a 3% increase in benefits was approved for any person receiving benefits as of June 30, 1988.

These summaries are shown only for the years available. Additional years will be added as data becomes available.

Analysis of Funding Progress

Fiscal Year	(1) Net Assets Available for Benefits (At Cost)	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) (Unaudited) Annual Covered Payroll	(6) (Unaudited) Unfunded Pension Benefit Obligation As a Percentage of Covered Payroll (4) / (5)
1989	$ 137,458,820	$ 190,614,261	72.1%	$ 53,155,441	$ 27,800,000	191%
1988	121,072,968	196,225,295	61.7	75,152,327	25,800,000	291

The summary is shown only for the two years available. Additional years will be added as data becomes available.

Uniform Retirement System for Justices and Judges (URSJJ)

Revenue by Source

Fiscal Year	Employee Contributions	Participating Court Contributions	(Unaudited) Participating Court Contributions As a Percentage of Annual Covered Payroll	Investment Income	Total
1989	$ 870,365	$ 3,527,863	31.6%	$ 3,336,138	$ 7,734,366
1988	812,970	4,149,011	34.5	3,021,588	7,983,569
1987	794,851	3,296,922	29.2	4,031,520	8,123,293
1986	799,618	3,502,321	29.0	2,266,821	6,568,760
1985	683,663	3,183,929	(2)	2,630,676	6,498,268
1984	692,640	3,031,137	(2)	1,556,638	5,280,415
1983	680,978	2,395,189	(2)	1,314,533	4,390,700
1982	611,275	2,266,835	(2)	763,372	3,641,482
1981 (1)	431,596	3,643,469	(2)	352,903	4,427,968
1980 (1)	391,364	1,457,425	(2)	146,390	1,995,179

Expenses by Type

Fiscal Year	Benefits	Administrative Expenses	Refunds	Total
1989	$ 2,114,662	$ 76,794	$ 54,318	$ 2,245,774
1988	1,983,966	51,778	73,224	2,108,968
1987	1,849,268	45,491	181,141	2,075,900
1986	1,688,236	44,424	73,012	1,805,672
1985	1,437,563	43,681	137,439	1,618,683
1984	1,294,795	41,598	125,676	1,462,069
1983	1,103,506	24,460	70,158	1,198,124
1982	895,822	17,033	83,566	996,421
1981 (1)	767,072	14,139	30,788	811,999
1980 (1)	734,978	18,348	20,698	774,024

(1) Amounts shown for these years are unaudited.

(2) Covered payroll information was not available for these years.

Analysis of Funding Progress

Fiscal Year	(1) Net Assets Available for Benfits	(2) Pension Benefit Obligation	(3) Percentage Funded (1) / (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) (Unaudited) Annual Covered Payroll	(6) (Unaudited) Unfunded Pension Benefit Obligation As a Percentage of Covered Payroll (4) / (5)
1989	$ 41,576,954	$ 49,300,509	84.33%	$ 7,723,555	$ 13,233,697	58.36%
1988	36,088,362	37,174,192	97.08	1,085,830	12,027,588	9.03

These summaries are shown only for fiscal years 1989 and 1988. Additional years will be added as data becomes available.

STATE OF OKLAHOMA

REPORT ON INTERNAL ACCOUNTING CONTROL

FOR THE YEAR ENDED JUNE 30, 1989

STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City, OK 73105
405/521-3495

TO THE GOVERNOR OF THE
STATE OF OKLAHOMA

We have examined the general purpose financial statements of the State of Oklahoma, for the year ended June 30, 1989, and have issued our report thereon dated June 29, 1990. As part of our examination, we made a study and evaluation of the system of internal accounting control of the State of Oklahoma to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

- Treasury or financing
- Revenue/receipts
- Purchases/disbursements
- External financial reporting

Our study included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the States' financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of control identified above.

The management of the State of Oklahoma is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the State of Oklahoma, taken as a whole or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed the following conditions that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the State of Oklahoma, may occur and not be detected within a timely period.

DEPARTMENT OF HUMAN SERVICES

Finance Information Systems

Finding: There is no formal disaster preparedness/recovery plan for the IBM System 38 in the Department Finance Division.

We recommend that a written disaster plan be prepared and approved. This should include a signed agreement with a firm or agency authorizing the Department to operate certain programs during emergency situations. A provision should be included for periodic testing of the plan. This can be modeled after the guidelines prepared by the Office of State Finance.

Inventory

Finding: At the Department's construction warehouse we found:

1. A 54.6% error rate when we compared our sample from the inventory list to our physical count.
2. An 80% error rate when we compared our physical count of inventory items to the quantity on the inventory list.
3. A large portion of the inventory in the warehouse was obsolete.
4. The inventory list that we pulled our sample from was not current.

We recommend the Department implement and maintain an orderly and systematic method of inventory control. This system should follow assets from the time of acquisition until use, including maintenance of records and comparison of those records with the related assets.

OFFICE OF STATE FINANCE

Computer System

Finding: There exist inherent weaknesses in the computer processing system of the Office.

We recommend that programs and procedures be developed to address the existing weaknesses.

Journal Vouchers

Finding: Journal vouchers do not consistently have references to the documentation from which the journal voucher was prepared.

We recommend that some type of reference to the source documents be noted on the journal voucher and attached.

Reconciliations

Finding: There is no review and approval of the monthly reconciliation with the State Treasurer's Office for accuracy.

We recommend that there be a review and approval by someone other than the preparer of the reconciliation.

Finding: Adjustments are being made to the final run report used to reconcile fund accounts to the State Treasurer's Office in the month following the run date.

We recommend that adjustments be made prior to the final run report being printed.

Finding: The computer program used to perform the reconciliation with the State Treasurer's Office picks up amounts for payroll and general revenue incorrectly. Adjustments have to be made for these accounts every month.

We recommend that the computer program be amended to correct this problem.

OFFICE OF STATE TREASURER

Investment Accounting

Finding: The formal reconciliation prepared by the Office of State Treasurer of the accounts maintained for the State of Oklahoma at Liberty Bank, one of the custodial banks of the Office, was found to be several months behind for the fiscal year under review.

Recommendation: We recommend that all accounts maintained by the Office at Liberty Bank, due to the volume and nature of transactions handled through these accounts, be reconciled in a more timely manner.

Management Response: We currently receive weekly statements from Liberty. Although we begin working on these statements immediately, we cannot completely reconcile them until we receive the final monthly statements from our system and the bank.

We also have the following additional controls to monitor transactions with Liberty on a daily basis:

1. A full-time audit desk, which reconciles the Liberty pay-out on a daily basis.

2. Our own in-house system which performs a daily reconciliation of all warrants presented for payment and confirms their validity before payment is made.

3. All transactions affecting our bank accounts are recorded and balanced on a daily basis in our General Ledger.

New computer systems currently being installed will further automate and expedite the reconciliation process.

Finding: The current manual system of investment accounting does not adequately facilitate accountability and provide an audit trail that is easily identifiable.

Recommendation: We recommend that the Office of State Treasurer continue to implement the system currently being installed in an expedient manner in order to provide more efficient records.

Management Response: The treasury purchased the "Resource" system in late fiscal year 1989 for just this purpose. It has been installed since July 1, 1989 and every trade has been recorded in it since that time. Every facet of each trade is recorded in this data base and a clear, precise transaction audit trail is produced. The State Auditor's Office is aware of and has previewed this system.

Finding: 62 O.S., Supp. 1987, § 89.2.C, reads in part:

"Investments of public funds by the State Treasurer shall be made in accordance with written policies developed by the State Treasurer....To the extent practicable taking into account the need to use sound investment judgment, the written investment policies shall include provision for utilization of a system of competitive bidding in the investment of state funds...."

The undated "Statement of Investment Policy," provided to our office, Section XIII, C, reads:

"The Treasurer will seek the highest possible bid for the State Treasury's investment."

While 62 O.S., Supp. 1987, § 89.2.C, requires competitive bids to the extent practicable, it does allow the Office of State Treasurer to invest state funds using sound investment judgment. In most cases, the documentation indicated that bids were received; however, we found several instances where competitive bids were not taken, and no documentation was available as to why such bids were not taken.

Recommendation: In instances where competitive bidding is not required, we recommend additional documentation be attached to trade documents indicating that the investment is competitive.

Management Response: We will make every effort to expand our investment policy to reference those specific types of transactions where competitive bidding is not possible or practicable. However, you must be aware that an investment policy cannot be written to cover every conceivable investment situation that may arise. We must rely (as provided in Section 89.2 C. of Title 62) on the "sound investment judgment" of our Investment Officer. We will also implement procedures to include all related bid information with the trade document.

Finding: Investments sold at a gain or loss are not booked in accordance with generally accepted accounting principles. Loss amounts, which are the difference between net proceeds received at sale of principal and the original investment cost, is offset against interest income received the same day from other investments.

Recommendation: We recommend that the Office of State Treasurer implement procedures to properly record gains and losses on investment sales transactions.

Management Response: The current computer system will not accept a debit to the interest income account. Our only alternative is to net the transactions in order to create a credit amount. We are unable to remedy the situation until our new computerized general ledger is on line. We will explore methods of booking these more clearly in our manual system. All information related to gains or losses is readily available from the trade documents. And, in all instances where netting occurred, all affected trades are identified on the deposit form.

Repurchase Agreements, Reverse Repurchase Agreements and Securities Lending

Finding: "Governmental entities sometimes enter into reverse repurchase agreements when they want to temporarily convert securities in their portfolios to cash. In these transactions, the entity is the seller-borrower, transfers securities to the buyer-lender for cash and promises to repay cash plus interest in exchange for the return of the same securities."[1] According to generally accepted governmental accounting principals, a reverse repurchase transaction is not a sale of securities, but represents an outstanding collateralized loan.

"If reverse repurchase agreements were used during the period, the entity should state the source of legal or contractual authorization for the use of those agreements."[2]

The Office of State Treasurer invests in reverse repurchase agreements. The above definition of this instrument appears to indicate that this type of transaction represents an outstanding collateralized debt of the Office of State Treasurer. The State Treasurer's Office has authority under 62 O.S., Supp. 1987, § 89.2.A. to invest in repurchase agreements. The State Treasurer's Office has authority under 62 O.S., Supp. 1988, § 90, to enter into a "securities lending program". It appears that these transactions may result in a collateralized debt in violation of the Constitution of the State of Oklahoma Art. 10, Section 15 whereby, "The state shall never create or authorize the creation of any debt or obligation, or fund or pay any deficit, against the state, or any department, institution or agency thereof, regardless of its form or the source of money from which it is to be paid....", and/or these transactions may be in violation of the Constitution of the State of Oklahoma Art. 10, Section 23 whereby "The credit of the State shall not be given, pledged, or loaned to any individual, company, corporation, or association, municipality, or political subdivision of the State...".

Recommendation: We recommend that the State Treasurer seek legal advice from the Attorney General of the State of Oklahoma to determine the legality of such investments.

Management Response: The Treasurer did, in fact, enter into the above referenced Reverse Repurchase Agreement. The agreement entered into called for the Treasury to exchange certain, specific securities, with the Treasury retaining legal title to these securities, in return for cash. During the term of the agreement, the Treasury received all applicable coupon payments and retained rights to all accrued interest relating to these securities. At the termination date of the agreement, the original transaction was unwound with the Borrower of the Securities receiving cash plus accrued interest in return for the same, identical securities loaned on the opening side. The opening and closing sides of this transaction were both accomplished under the "Delivery vs. Payment system" that is essentially an escrow arrangement with a third party bank that insures that all parties concerned perform as stipulated in the agreement.

The following steps were prudently taken to minimize any risk:

1. The Treasury retained legal title to the securities along with all accrued interest.
2. The Treasury held the cash as collateral along with all accrued interest thereon.
3. The Treasury dealt only with Major Primary Dealers.

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[1] Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, (Stamford, 1986), p. 9.

[2] GASB Statement No. 3, p. 22.

4. The Treasury reinvested the cash given as collateral in Prime Securities with maturity dates matched to the maturity date of the Reverse Repurchase Agreement. This guards against market shifts in a Bond of longer maturity than the Reverse Agreement leaving the bond under water at the time of the Reverse Maturity.

We believe that, due to the points listed above, the "credit risk" to the Treasury was well managed and certainly no greater than the market risk associated with any well managed securities trading program.

The State Treasurer of Oklahoma is authorized by State Statute to participate in a Securities Lending Program Title 62, Section 90, as are various State Pension and Retirement Funds.

A Reverse Repurchase Agreement is recognized by the Government Finance Officers Association as one of the more prevalent tools used in Securities Lending Programs.

In accordance with your recommendation, we are seeking the advice and assistance of the State Attorney General. Our existing policies and procedures will be modified in accordance with his recommendations.

Finding: On June 30, 1988, a $567,433,818.55 reverse repurchase transaction was not presented on the Office of State Treasurer's financial statements. According to generally accepted governmental accounting standards, "The assets and liabilities arising from reverse repurchase....agreements should not be netted on the balance sheet. These agreements should be reported as a fund liability captioned "Obligations Under Reverse Repurchase Agreements," and the underlying securities should be reported as "investments."[3]

Recommendation: We recommend that the Office of State Treasurer revise its 1988 financial statements to properly reflect all investment accounting transactions, including the resulting assets and liabilities.

Management Response: The 1988 Financial Statements will be revised. It should be noted that this revision will have no net effect on the Balance Sheet.

Finding: In the current undated "Statement of Investment Policy," Section VI,F., Reverse Repurchase Agreements are listed as an authorized investment instrument. 62 O.S., Supp. 1987, §89.2.A does not list Reverse Repurchase Agreements as an investment instrument in which the Office may invest.

Recommendation: We recommend that the Office amend its "Statement of Investment Policy" to comply with 62 O.S., Supp. 1987, §89.2.A.

Management Response: The Treasury invests in reverse repurchase agreements under the authority of 62 O.S., Supp. 1988, §90. Securities Lending. A reverse repurchase agreement is widely recognized as one of the prevalent forms of securities lending.

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[3] GASB Statement No. 3, pp. 22-23.

Related Party Transactions

Finding: During the time span of March 29, 1988, through December 22, 1988, the State Treasurer's Office transacted approximately $1 billion in investment purchases and sales through a broker named Leland Stanford, an employee of Advantage Capital in Houston, Texas. Apparently without the knowledge of his employer, Leland Stanford was "sharing" his commissions earned with an associate named Keith Feldhacker. According to information provided to us, the agreement was to split the commission earned 60/40 (Feldhacker receiving 60%). During this time period, the total commissions credited to Leland Stanford in connection with these transactions totaled approximately $1,488,767.86. The total amount paid to Leland Stanford was $1,443,516.13, with the remaining balance held in suspense by Advantage Capital due to problems that came to light regarding his handling of the State Treasurer's account. Of this amount, Leland Stanford reportedly paid Keith Feldhacker approximately $866,109.68.

On July 30, 1988, Keith Feldhacker married Belle Ambre, the Chief Trader of the Office of State Treasurer. Within the State Treasurer's Office, Belle Ambre was responsible for initiating the investment transactions with Advantage Capital, whereby her husband was receiving 60% of the commissions paid to Leland Stanford. The bulk of the business transactions occurred subsequent to the marriage of Keith Feldhacker and Belle Ambre Feldhacker. The commissions earned subsequent to the marriage reportedly totalled $1,392,517.86 with 60% going to Keith Feldhacker.

Belle Ambre Feldhacker resigned from the Office of State Treasurer on December 22, 1988, at the request of the State Treasurer. The State Treasurer's Office notified the management of Advantage Capital, the National Association of Securities Dealers and the State Auditor's Office regarding concerns about these individuals. Leland Stanford and Keith Feldhacker were terminated by Advantage Capital officials, with cause, at approximately the same time. Both of these individuals' securities licenses were terminated on January 16, 1989.

Based on the foregoing, the process of "commission sharing" in this case may constitute an illegal "kickback". Belle Ambre Feldhacker may have violated her public trust and her actions appear to have violated the following state statutes:

* Title 74 O.S. Supp. 1988, Section 4201.[illegible] expresses the legislative intent:

"...That no officer or employee of any governmental entity or other political subdivision of this state, and no member of the Legislature or legislative employee, have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activities; or incur any obligation of any nature that is in substantial conflict with the proper discharge of his duties in the public interest; and..."

* Title 74 O.S. Supp. 1988, Section 4243.A.1

A. No state agency shall:

> "...Enter into any contract with an employee of the agency, or with a business in which an employee holds a substantial financial interest, unless the contract is made after public notice by the agency and compliance with competitive bidding procedures. This paragraph shall not apply to a contract of employment with the state;"

* Title 74 O.S. Supp. 1988, Section 4241

No state employee shall:

> "1. Directly or indirectly solicit or accept any compensation, gift, loan, entertainment, favor or service given for the purpose of influencing such employee in the discharge of his official duties. Provided, however, that this section shall not apply to bona fide campaign contributions; 2) use his official position to solicit or secure special privileges or exemptions for himself or others, except as may be provided by law;...5) Receive or solicit any compensation that would impair his independence of judgement, for his services as an officer or employee of any state agency, from any source other than the state, unless otherwise provided by law; or 6) accept or solicit other employment which would impair his independence of judgement in the performance of his public duties."

* Title 74 O.S. Supp. 1988, Section 3401 et. seq.

"This act shall be known and may be cited as "The Anti-Kickback Act of 1974"."

Section 3402:

> "1. Kickback means the giving of money or any thing of value either directly or indirectly by or on behalf of any person, or the agent of any person, holding a contract with the state for the furnishing of goods or services of any kind to any state employee or any person holding a higher tier contract with the state for the furnishing of goods or services, when the giving of which is for the purpose of acquiring or holding such contract with the state;"
>
> "Any person who shall knowingly make or receive, either directly or indirectly, a kickback shall be guilty of a felony,..."

Recommendation: We recommend that the State Treasurer review conditions that may result in related party transactions, and seek advice from the Attorney General of the State of Oklahoma.

Management Response: I believe it should be noted that it was my system of internal controls that originally detected the possible existence of related party transactions on the part of the Feldhackers. And, within hours of establishing the apparent link between Belle, Advantage Capital, Leland Stanford and Keith Feldhacker, I took the following actions:

1. Asked for and received the immediate resignation of Belle Ambre Feldhacker for violation of internal control procedures.
2. Contacted the Chief Executive Officer of Advantage Capital Corporation to inform him of the possibility of wrongdoing on the part of his employees--Leland Stanford and Keith Feldhacker.
3. Canceled all pending transactions between my office and Advantage Capital.
4. Contacted the State Auditor and Inspector to inform him of the situation and ask for an audit of all investment transactions to determine whether or not State funds had been lost or jeopardized.
5. Initiated my own private investigation conducted by my internal auditor and an outside expert brought in to assist with this effort.

I believe your finding should note that after extensive audits and investigations by both your staff and mine no evidence has been found to indicate that any State funds were lost or jeopardized. To the best of our knowledge, all securities purchased by Belle were bought "at the market" and none were in violation of policy or state statutes.

Belle Ambre Feldhacker may have violated her public trust and may have violated certain state statutes. However, I believe the significant facts in terms of your audit should be that my internal controls worked and the situation was stopped before State funds were lost.

Finding: During the time span of February 22, 1988 through June 30, 1989, the Office of State Treasurer transacted a material amount of investment purchases and sales through a securities dealer where the son of the current Office of State Treasurer Chief Trader is employed in the area of government securities sales.

Recommendation: We recommend that the State Treasurer review conditions that may result in related party transactions, and seek advice from the Attorney General of the State of Oklahoma.

Management Response: In accordance with your recommendation, we are seeking the advice and assistance of the State Attorney General. Our existing policies and procedures will be modified in accordance with his recommendations.

Finding: In addition to the above stated relationship, it was noted during our audit that the current Chief Trader has another son that is employed in the investment department of an institution with whom the Office of State Treasurer conducts a material amount of investments.

Recommendation: We recommend that the State Treasurer review conditions that may result in related party transactions, and seek advice from the Attorney General of the State of Oklahoma.

Management Response: In accordance with your recommendation, we are seeking the advice and assistance of the State Attorney General. Our existing policies and procedures will be modified in accordance with his recommendations.

Finding: The Office of State Treasurer is involved in large amounts of trading activity with various firms and brokerage houses. The Office currently does not have a formal written policy on conflicts of interest that deals with related parties.

Recommendation: We recommend that the Office expand its current policy on conflict of interest to also identify and monitor instances of related party circumstances to ensure that conflicts of interest do not in fact occur. We further recommend that such policy include a requirement for sworn non-collusion affidavits from those inside the office involved in trading activities as well as from those brokerages and firms on the outside who do business with the Office. We also recommend that the Office establish a monitoring system whereby the adequacy of the policy is reviewed on at least a quarterly basis to ensure compliance with the established policy. Such policy should be communicated to all personnel involved in trading activities.

Management Response: We are seeking the advice and assistance of the State Attorney General. Our existing policies and procedures will be modified in accordance with his recommendations.

Other Matters

The Attorney General's Office and the Oklahoma County District Attorney have requested that the State Auditor and Inspector assist in a follow-up investigation of items disclosed in the audit report of the Office of State Treasurer and other matters as requested.

GENERAL COMMENTS

Finding: Numerous state agencies maintain inventories of consumable type assets. Many do not maintain adequate records and are unable to provide accurate quantity and cost information on the consumable inventories being maintained.

We recommend all state agencies possessing inventories of consumable assets develop a system to ensure accurate inventory listings and that physical inventory counts be performed at or near year end on an annual basis.

Finding: The Office of Public Affairs has delegated its responsibility to maintain inventory records for fixed assets such as land, furniture and equipment to the various state agencies that have purchased and/or control these assets. There exists a lack of uniformity in the records being maintained by the various state agencies. Few state agencies currently are able to provide an accurate inventory listing of assets and their related costs.

We recommend all state agencies maintain complete and accurate listings of all fixed assets in their possession and that a physical count be performed at or near year end on an annual basis.

Finding: Several state agencies have not been depositing cash receipts on a daily basis with the State Treasurer's Office as required by State Statutes.

We have recommended to the state agencies involved that all cash receipts be deposited with the State Treasurer's Office on a daily basis.

Finding: Numerous state agencies do not have adequate segregation of duties for internal control purposes.

We recommend to those state agencies, that where practicable such duties be segregated to provide for adequate internal controls.

Finding: Several institutions of higher education, the Oklahoma Turnpike Authority and Student Loan Authority have presented audited financial statements not prepared in accordance with generally accepted accounting principles.

We recommend that such institutions of higher education have audits performed on their financial statements and that such statements be presented in accordance with generally accepted accounting principles.

Finding: The State accounting system is unable to provide the necessary information to allow for the presentation of lease-purchase transactions in accordance with generally accepted accounting principles.

We recommend that the new accounting system currently under development provide the necessary information to report lease-purchase transactions in accordance with generally accepted accounting principles.

* * * * * *

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied on our examination of the 1989 financial statements of the State of Oklahoma, and this report does not affect our report on the financial statements dated June 29, 1990.

This report is intended solely for the use of management and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

AUDITOR'S REPORT ON COMPLIANCE
BASED ON THE EXAMINATION OF THE GENERAL
PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1989

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City, OK 73105
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INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNOR AND MEMBERS OF
LEGISLATURE OF THE STATE
OF OKLAHOMA

We have examined the general purpose financial statements of the State of Oklahoma, as of and for the year ended June 30, 1989, and have issued our report thereon dated June 29, 1990. Our examination was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of the State of Oklahoma is responsible for the State's compliance with laws and regulations. In connection with our examination referred to above, we selected and tested transactions and records to determine the state's compliance with laws and regulations noncompliance with which could have a material effect on the general purpose financial statements of the state.

The results of our tests indicate that for the items tested, the State of Oklahoma complied with those provisions of laws and regulations noncompliance with which could have a material effect on the general purpose financial statements. Nothing came to our attention that caused us to believe that for the items not tested the State of Oklahoma was not in compliance with laws or regulations noncompliance with which could have a material effect on the State's general purpose financial statements.

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE BY FEDERAL DEPARTMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 1989

1907

STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City, OK 73105
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TO THE GOVERNOR AND MEMBERS OF
THE LEGISLATURE OF THE
STATE OF OKLAHOMA

We have audited the general purpose financial statements of the State of Oklahoma, for the year ended June 30, 1989, and have issued our report thereon dated June 29, 1990. These general purpose financial statements are the responsibility of the State of Oklahoma's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements or the segments of the schedule of federal financial assistance related to federal programs of the Oklahoma Conservation Commission-Abandoned Mine Land Reclamation Program, the Department of Commerce, the Regents for Higher Education, or the Student Loan Authority, which represent .01 percent, 5.03 percent, 1.2 percent and .2 percent, respectively, of the federal financial assistance presented in this report. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

The State of Oklahoma has excluded federal financial assistance programs administered by public universities from the accompanying schedule of federal financial assistance. The public universities of the State of Oklahoma are covered under the provisions of the Office of Management and Budget (OMB) Circular A-110.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the State of Oklahoma, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, except for the effect on the schedule of the omission described in the preceding paragraph, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE BY FEDERAL DEPARTMENT

STATE OF OKLAHOMA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

BY FEDERAL DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 1989

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
	U.S. Department of Agriculture		
10.063	Agriculture Conservation Program	Department of Agriculture	$ 10,900
10.064	Forestry Incentives Program	Department of Agriculture	16,300
10.069	Conservation Reserve Program	Department of Agriculture	2,500
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Department of Agriculture	1,586,155
10.550	Food Distribution	Department of Human Services	22,781,707
10.551	Food Stamps	Department of Human Services	159,908,939
10.553	School Breakfast Program	Department of Education	8,256,702
10.555	National School Lunch Program	Department of Education; J.D. McCarty Center for Handicapped Children	46,418,127
10.556	Special Milk Program for Children	Department of Education	141,152
10.557	Special Supplemental Food Program for Women, Infants and Children	Department of Health	23,257,743
10.558	Child Care Food Program	Department of Education	8,674,210
10.559	Summer Food Service Program for Children	Department of Education	531,321
10.560	State Administrative Expenses for Child Nutrition	Department of Education	740,946
10.561	State Administrative Matching Grants for Food Stamp Program	Department of Human Services	15,623,497
10.564	Nutrition Education and Training Program	Department of Education	74,485
10.568	Temporary Emergency Food Assistance (Administrative Costs)	Department of Human Services	357,478
10.664	Cooperative Forestry Assistance	Department of Agriculture	362,451
10.901	Resource Conservation and Development	Department of Agriculture	36,000
10.902	Soil and Water Conservation	Conservation Commission	298,071
10.904	Watershed Protection and Flood Prevention	Conservation Commission	48,709
10.904	Watershed Protection and Flood Prevention	Department of Agriculture	33,214
	Total U.S. Department of Agriculture		289,160,607
	U.S. Department of Commerce		
11.305	Economic Development - State and Local Economic Development Planning	Office of the Governor	13,268
11.407	Interjurisdictional Fisheries Act of 1986	Department of Wildlife	10,400
11.803	Minority Business Development - State and Local Government Program	Department of Commerce	595
	Total U.S. Department of Commerce		24,263
	U.S. Department of Defense		
	Defense Logistics Agency:		

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
12.001	Industrial Equipment Loans to Educational Institutions	Department of Commerce; Department of Vocational and Technical Education	$ 186,239
	Total U.S. Department of Defense		186,239
	U.S. Department of Health and Human Services		
	Public Health Service - I:		
13.110	Maternal and Child Health Federal Consolidated Programs	Department of Health	273,167
13.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Department of Health	97,206
13.118	Acquired Immunodeficiency Syndrome (AIDS) Activity	Department of Health; Department of Mental Health	1,488,015
13.118	Acquired Immunodeficiency Syndrome (AIDS) Activity	Department of Education	108,386
13.125	Mental Health Planning and Demonstration Projects	Department of Mental Health	57,179
13.141	Alcohol, Drug Abuse Treatment and Rehabilitation Block Grant	Department of Mental Health	2,487,558
13.146	AIDS Drug Reimbursements	Department of Human Services	100,000
13.150	Mental Health Services for the Homeless Block Grant	Department of Mental Health	232,606
13.158	State Comprehensive Mental Health Service Planning Development Grants	Department of Mental Health	43,682
13.217	Family Planning - Services	Department of Health	2,129,612
13.242	Mental Health Research Grants	Department of Mental Health	243,103
13.244	Mental Health Clinical or Service Related Training Grants	Department of Mental Health	43,836
13.246	Migrant Health Centers Grants	Department of Health	183,355
13.268	Childhood Immunization Grants	Department of Health	135,147
13.283	Centers for Disease Control - Investigations and Technical Assistance	Department of Health	233,455
	Office of Human Development Services:		
13.608	Administration for Children, Youth, and Families - Child Welfare Research and Demonstration	Department of Human Services	11,995
13.630	Administration on Developmental Disabilities Basic Support and Advocacy Grants	Department of Human Services	611,828
13.633	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	Department of Human Services	3,701,973
13.635	Special Programs for the Aging - Title III, Part C - Nutrition Services	Department of Human Services	5,960,876
13.641	Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	Department of Human Services	$ 111,829
13.645	Child Welfare Services - State Grants	Department of Human Services	3,588,632
13.647	Social Services Research and Demonstration	Department of Human Services	97,862
13.658	Foster Care - Title IV - E	Department of Human Services	6,796,766
13.659	Adoption Assistance	Department of Human Services	430,880
13.667	Social Services Block Grant	Department of Human Services	36,891,179

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
13.668	Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	Department of Human Services	2,350
13.669	Administration for Children, Youth, and Families - Child Abuse and Neglect State Grants	Department of Human Services	124,013
13.670	Administration for Children, Youth, and Families - Child Abuse and Neglect Discretionary Activities	Department of Health	1,764
13.670	Administration for Children, Youth, and Families - Child Abuse and Neglect Discretionary Activities	Department of Human Services	73,166
13.671	Family Violence Prevention and Services	Department of Mental Health	88,481
13.672	Child Abuse Challenge Grants	Department of Health	66,916
13.674	Independent Living	Department of Human Services	476,480
	Health Care Financing Administration:		
13.714	Medical Assistance Program	Department of Human Services; J.D. McCarty Center for Handicapped Children	466,865,858
13.773	Medicare - Hospital Insurance	Department of Health	562,046
13.777	State Survey and Certification of Health Care Providers and Suppliers	Department of Human Services; Department of Health	810,560
	Family Support Administration:		
13.780	Assistance Payments - Maintenance Assistance	Department of Human Services	96,700,520
13.783	Child Support Enforcement	Department of Human Services; District Attorneys Training Coordination Council	7,286,025
13.786	State Legalization Impact Assistance Grants	Department of Human Services; Department of Education; Department of Health; Department of Mental Health	551,549
13.787	Refugee and Entrant Assistance - State Administered Programs	Department of Human Services	689,658
13.789	Low-Income Home Energy Assistance	Department of Human Services; Department of Commerce	12,060,980
13.790	Work Incentive Program	Department of Human Services	551,971
13.792	Community Services Block Grant	Department of Commerce	4,172,781
13.796	Emergency Community Services for the Homeless	Department of Commerce	494,887
	Social Security Administration:		
13.802	Social Security - Disability Insurance	Department of Human Services	7,439,850
13.812	Social Security - Research and Demonstration	Department of Human Services	23,513
	Public Health Service - III:		
13.977	Preventive Health Services - Sexually Transmitted Disease Control Grants	Department of Health	$ 466,086
13.987	Health Programs for Refugees	Department of Health	41,614
13.991	Preventive Health and Health Services Block Grant	Department of Health	1,021,343
13.992	Alcohol and Drug Abuse and Mental Health Services Block Grant	Department of Mental Health	7,555,186
13.994	Maternal and Child Health Services Block Grant	Department of Health	3,994,566

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
13.994	Maternal and Child Health Services Block Grant	Department of Human Services; J.D. McCarty Center for Handicapped Children	1,176,660
	Total U.S. Department of Health and Human Services		679,358,950
	U.S. Department of Housing and Urban Development		
	Housing - Federal Housing Commission:		
14.227	Community Development Block Grants/ Secretary's Discretionary Fund/Technical Assistance Program	Department of Commerce	56,557
14.228	Community Development Block Grants/ States' Program	Department of Commerce	15,773,699
14.230	Rental Housing Rehabilitation	Department of Commerce	852,380
14.231	Emergency Shelter Grants Program	Department of Commerce	210,411
14.550	Solar Energy and Energy Conservation Bank	Department of Commerce	47,235
	Total U.S. Department of Housing and Urban Development		16,940,282
	U.S. Department of Interior		
	Bureau of Indian Affairs:		
15.130	Indian Education - Assistance to Schools	Department of Education	397,446
	Office of Surface Mining Reclamation and Enforcement:		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Department of Mines	841,134
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Conservation Commission	1,653,117
	U.S. Fish and Wildlife Service:		
15.605	Sport Fish Restoration	Department of Wildlife	$ 2,534,916
15.611	Wildlife Restoration	Department of Wildlife	2,032,675
15.612	Endangered Species Conservation	Department of Wildlife	22,807
	National Park Service:		
15.904	Historic Preservation Fund Grants-In-Aid	Historical Society	409,103
15.916	Outdoor Recreation - Acquisition, Development and Planning	Department of Tourism and Recreation	681,026
	Total U.S. Department of Interior		8,572,224

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
	U.S. Department of Justice		
	Office of Juvenile Justice and Delinquency Prevention:		
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	Commission on Children and Youth; Department of Human Services	465,116
16.541	Juvenile Justice and Delinquency Prevention - Special Emphasis	Commission on Children and Youth	6,463
16.550	Criminal Justice Statistics Development	Department of Corrections	15,490
16.550	Criminal Justice Statistics Development	State Bureau of Investigation	34,216
16.572	Mariel - Cubans	Department of Corrections	27,801
16.573	Criminal Justice Block Grants	District Attorneys Training Coordination Council; Department of Human Services; Department of Public Safety	156,409
16.575	Crime Victim Assistance	District Attorneys Training Coordination Council; Department of Mental Health	470,296
16.576	Crime Victim Compensation	District Attorneys Training Coordination Council	452,000
16.579	State and Local Narcotics Control Assistance	District Attorneys Training Coordination Council; Bureau of Narcotics and Dangerous Drugs Control; State Bureau of Investigation; Department of Public Safety; Attorney Generals Office	1,826,046
16.581	Drug Law Enforcement Program - Prison Capacity	Legislative Service Bureau	115,285
	Total U.S. Department of Justice		3,569,122

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
	U.S. Department of Labor		
	Bureau of Labor Statistics:		
17.002	Labor Force Statistics	Employment Security Commission	$ 816,718
17.003	Prices and Cost of Living Data	Employment Security Commission	89,900
	Employment and Training Administration:		
17.203	Labor Certification for Alien Workers	Employment Security Commission	105,536
17.207	Employment Service	Employment Security Commission; Department of Vocational and Technical Education	13,205,878
17.225	Unemployment Insurance	Employment Security Commission	17,989,108
17.235	Senior Community Service Employment Program	Department of Commerce	1,030,038
17.245	Trade Adjustment Assistance - Workers	Employment Security Commission	5,925,787
17.246	Employment and Training Assistance - Dislocated Workers	Employment Security Commission; Department of Vocational and Technical Education	265,529
17.250	Job Training Partnership Act	Department of Commerce; Department of Human Services; Employment Security Commission; Department of Vocational and Technical Education	42,227,497
	Occupational Safety and Health Administration:		
17.500	Occupational Safety and Health	Department of Labor	587,331
	Mine Safety and Health Administration:		
17.600	Mine Health and Safety Grants	Department of Mines	97,900
	Office of the Assistant Secretary for Veterans Employment:		
17.801	Disabled Veterans Outreach Program	Employment Security Commission	992,215
17.804	Local Veterans Employment Representative Program	Employment Security Commission	1,205,776
	Total U.S. Department of Labor		84,539,213
	U.S. Department of Transportation		
	U.S. Coast Guard:		
20.005	Boating Safety Financial Assistance	Department of Public Safety	272,764

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
	Federal Highway Administration:		
20.205	Highway Planning and Construction	Department of Transportation	$ 205,857,063
20.218	Motor Carrier Safety Assistance Program	Department of Public Safety	824,959
	Federal Railroad Administration:		
20.303	Grants-In-Aid for Railroad Safety - State Participation	Corporation Commission	9,835
	Urban Mass Transportation Administration:		
20.509	Public Transportation for Non-Urbanized Areas	Department of Transportation	2,760,668
20.513	Capital Assistance Program for Elderly and Handicapped Persons	Department of Human Services	335,952
20.600	State and Community Highway Safety	Department of Transportation; Department of Public Safety; State Bureau of Investigation	2,071,455
20.700	Pipeline Safety	Corporation Commission	87,125
	Total U.S. Department of Transportation		212,219,821
	National Foundation on the Arts and the Humanities		
	National Endowment for the Arts:		
45.003	Promotion of the Arts - Arts in Education	State Arts Council	107,924
45.007	Promotion of the Arts - States Programs	State Arts Council	368,678
45.015	Promotion of the Arts - Folk Arts	State Arts Council	46,604
	Total National Foundation on the Arts and the Humanities		523,206
	Veterans Administration		
64.014	Veterans State Domiciliary Care	Department of Veterans Affairs	218,779
64.015	Veterans State Nursing Home Care	Department of Veterans Affairs	6,520,283
64.016	Veterans State Hospital Care	Department of Veterans Affairs	17,397
64.111	Veterans Educational Assistance	Department of Veterans Affairs	146,673
	Total Veterans Administration		6,903,132
	U.S. Environmental Protection Agency		
	Office of Air and Radiation:		
66.001	Air Pollution Control Program Support	Department of Health; Department of Public Safety	1,308,705
	Office of Water:		
66.419	Water Pollution Control - State and	Department of Pollution Control;	

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
	Interstate Program Support	Department of Wildlife Conservation; Water Resources Board; Conservation Commission; Department of Health	$ 1,043,549
66.432	State Public Water System Supervision	Department of Health	592,290
66.433	State Underground Water Source Protection	Corporation Commission; Department of Health	694,900
66.435	Water Pollution Control - Lake Restoration Cooperative Agreements	Department of Pollution Control; Water Resources Board	218,053
66.438	Construction Management Assistance	Department of Health	720,791
66.454	Water Quality Management Planning	Department of Pollution Control; Water Resources Board; Department of Health; Conservation Commission; Department of Wildlife Conservation	94,609
66.459	Nonpoint Source Reservation	Department of Pollution Control; Department of Health	34,426
	Office of Pesticides and Toxic Substances:		
66.701	Toxic Substances Compliance Monitoring Program	Department of Health	5,788
66.703	Asbestos Inspections and Management Plan Assistance	Department of Health	7,520
	Office of Solid Waste and Emergency Response:		
66.801	Hazardous Waste Management State Support Program	Department of Health	59,899
66.802	Hazardous Substance Response Trust Fund	Department of Health; Water Resources Board	616,025
66.804	State Underground Storage Tanks Program	Corporation Commission	138,107
66.805	Underground Storage Tanks Trust Fund Program	Department of Pollution Control; Department of Health; Water Resources Board	81,188
	Total U.S. Environmental Protection Agency		5,615,850
	U.S. Action		
72.001	Foster Grandparents Program	Department of Human Services	284,552
	Total U.S. Action		284,552
	U.S. Department of Energy		
81.041	State Energy Conservation	Department of Commerce	$ 243,101
81.042	Weatherization Assistance for Low-Income Persons	Department of Commerce	1,717,455
81.050	Energy Extension Service	Department of Commerce	76,093

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
81.052	Energy Conservation for Institutional Buildings	Department of Commerce	96,338
81.052	Energy Conservation for Institutional Buildings	Department of Education	22,228
	Total U.S. Department of Energy		2,155,215
	U.S. Federal Emergency Management Agency		
	State and Local Programs and Support:		
83.403	Emergency Management Institute - Field Training Program	Civil Defense	136,887
83.501	Community Assistance Program - State Support Services Element	Civil Defense; Water Resources Board	77,157
83.503	Civil Defense - State and Local Emergency Management Assistance	Civil Defense	817,119
83.505	State Disaster Preparedness Grants	Civil Defense	10,707
83.508	Radiological Instrumentation	Civil Defense	81,850
83.509	Facility Survey, Engineering and Development	Civil Defense	48,379
83.511	Radiological Defense Planning and Development	Civil Defense	45,265
83.513	State and Local Warning and Communication Systems	Civil Defense	19,906
83.514	Population Protection Planning	Civil Defense	153,885
83.516	Disaster Assistance	Civil Defense; Conservation Commission; Department of Tourism and Recreation	4,183,457
83.517	Electromagnetic Pulse (EMP) Technical Support	Civil Defense	412
83.519	Hazard Mitigation Assistance	Civil Defense	364
	Total U.S. Federal Emergency Management Agency		5,575,388
	U.S. Department of Education		
84.002	Adult Education - State Administered Basic Grant Program	Department of Education; Department of Libraries; Department of Corrections	1,470,402
84.003	Bilingual Education	Department of Education	87,607
84.004	Civil Rights Technical Assistance and Training	Department of Education	304,994
84.009	Education of Handicapped Children in State Operated or Supported Schools	Department of Education; J.D. McCarty Center for Handicapped Children	526,316
84.010	Educationally Deprived Children - Local Educational Agencies	Department of Education; Department of Corrections	$ 38,777,190
84.011	Migrant Education - Basic State Formula Grant Program	Department of Education	1,205,677
84.012	Educationally Deprived Children - State Administration	Department of Education	407,552
84.013	Neglected and Delinquent Children	Department of Education	174,583
84.024	Handicapped Early Childhood Education	Department of Health	9,058
84.025	Handicapped Education - Deaf-Blind Centers	Department of Education	113,839
84.027	Handicapped - State Grants	Department of Education	20,954,925

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
84.029	Handicapped Education - Special Education Personnel Development	Department of Education	74,000
84.032	Guaranteed Student Loans	State Regents for Higher Education	15,657,052
84.032	Guaranteed Student Loans	Student Loan Authority	3,128,365[4]
84.034	Library Services	Department of Libraries; Department of Mental Health; Department of Corrections; Department of Human Services	1,134,507
84.035	Interlibrary Cooperation and Resource Sharing	Department of Libraries	274,791
84.048	Vocational Education - Basic Grants to States	Department of Vocational and Technical Education; State Regents for Higher Education; Department of Education	11,468,431
84.049	Vocational Education - Consumer and Homemaking Education	Department of Vocational and Technical Education	425,803
84.051	National Vocational Education Research	Department of Vocational and Technical Education	113,170
84.053	Vocational Education - State Councils	Department of Commerce	110,524
84.063	Pell Grant Program	Department of Vocational and Technical Education	105,609
84.069	Grants to States for States Student Incentives	State Regents for Higher Education	1,064,072
84.126	Rehabilitation Services - Basic Support	Department of Human Services	20,845,944
84.128	Rehabilitation Services - Service Projects	Department of Human Services; Department of Mental Health	1,066,310
84.129	Rehabilitation Training	Department of Human Services	28,475
84.146	Transition Program for Refugee Children	Department of Education	61,780
84.151	Improving School Programs - State Block Grants	Department of Education	4,326,019
84.154	Public Library Construction	Department of Libraries	303,318
84.161	Client Assistance for Handicapped Individuals	Office of Handicapped Concerns	85,763
84.162	Emergency Immigrant Education	Department of Education	37,666
84.164	State Grants for Strengthening the Skills of Teachers and Instruction in Mathematics, Science, Foreign Languages, and Computer Learning	Department of Education; Department of Vocational and Technical Education	525,668
84.164	State Grants for Strengthening the Skills of Teachers and Instruction in Mathematics, Science, Foreign Languages, and Computer Learning	State Regents for Higher Education	$ 485,621
84.167	Library Literacy	Department of Libraries	18,021
84.169	Comprehensive Services for Independent Living	Department of Human Services	351,911
84.173	Handicapped - Preschool Grants	Department of Education	894,077
84.174	Vocational Education - Community Based Organizations	Department of Vocational and Technical Education	121,552
84.176	Paul Douglas Teacher Scholarship	State Regents for Higher Education	261,974
84.177	Rehabilitation Services - Independent Services for Older Blind Individuals	Department of Human Services	123,278
84.178	Leadership in Education Administration Development	Department of Education	149,921
84.181	Handicapped Infants and Toddlers	Department of Education; Commission on Children and Youth	367,388

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[4] This represents receipts, not expenditures, as reported by the independent auditor.

CFDA Number	Federal Department/Federal Agency/ Program Name	State Grantee Agency	Federal Expenditures
84.185	Robert C. Byrd Honors Scholarship	Department of Education	112,316
84.186	Free Schools and Communities - State Grants	Department of Education	1,238,338
84.192	Adult Education for the Homeless	Department of Education	58,723
84.196	State Activities - Education of Homeless Children and Youth	Department of Education	23,096
	Total U.S. Department of Education		129,075,626
	U.S. National Archives and Records Administration		
89.003	National Historical Publications and and Records Grants	Department of Libraries	7,026
	Total U.S. National Archives and Records Administration		7,026
	Others		
-	Death Penalty Resource Center	Oklahoma Appellate Public Defender System	101,546
-	Oil Overcharge	Department of Commerce	3,461,367
-	Stripper Well	Department of Commerce	1,231,563
-	X-Ray Inspections	Department of Health	28,115
-	Federal Aviation Administration	Department of Transportation	176,414
-	ABE Win - U.S. Department of Education	Department of Education	1,743
-	Food Inspection Project	Department of Health	77,383
-	McGee Creek Recreation Improvement	Department of Tourism and Recreation	86,542
-	Marijuana Eradication Program	Bureau of Narcotics and Dangerous Drugs Control	84,000
-	Bureau of Reclamation	Department of Wildlife Conservation	105,635
-	Leviticus Project (LP-142)	Bureau of Invesitgation	$ 18,811
-	SIC Revision	Employment Security Commission	52,000
-	EPA CX813244	Department of Labor	12,261
-	Petroleum Violators Escrow	Department of Commerce	64,600
-	Community Volunteer Fire Prevention Program	Office of the Governor	276
-	EPA CX814799-01-02	Department of Labor	69,663
-	Criminal Narcotics Program	Bureau of Narcotics and Dangerous Drugs Control	83,008
-	Eradication - U.S. Forest Service	Bureau of Narcotics and Dangerous Drugs Control	6,500
-	Miscellaneous Programs	Department of Human Services	90,672
	Total Others		5,752,099
	GRAND TOTAL		$ 1,450,462,815

NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

STATE OF OKLAHOMA

NOTES TO THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

JUNE 30, 1989

1. Purpose of the Schedule of Federal Financial Assistance

Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, requires a schedule of federal financial assistance showing total federal expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA). Significant federal financial assistance programs which have not been assigned a CFDA number have been identified.

2. Significant Accounting Policies

A. Basis of Presentation

The information in the accompanying Schedule of Federal Financial Assistance is presented in accordance with OMB Circular A-128.

- Federal Financial Assistance - Pursuant to the Single Audit Act of 1984 (Public Law 98-502) and OMB Circular A-128, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly. Accordingly, non-monetary federal assistance, including food stamps and food commodities is included in federal financial assistance, and therefore, is reported on the schedule of federal financial assistance. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the State of Oklahoma and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.
- Major and Non-major Programs - The Single Audit Act of 1984 and OMB Circular A-128 establish the levels of expenditures or expenses to be used in defining major and non-major federal financial assistance programs. Major programs, for the State of Oklahoma, are those which exceed $4,000,000 in federal expenditures, for the fiscal year ended June 30, 1989.
- Catalog of Federal Domestic Assistance - The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number with is reflected in the accompanying schedule.

B. Reporting Entity

The accompanying schedule includes all federal financial assistance programs administered by the State of Oklahoma, except for those programs accounted for in the Higher Education Fund Type in the financial statements for the year ended June 30, 1989. Federal financial assistance provided to the state's public universities and related entities is covered by the provisions of OMB Circular A-110, Uniform Requirements for Grants to Universities, Hospitals, and Other Nonprofit Organizations. Under the provisions of the Single Audit Act of 1984, and OMB Circular A-128, states may elect to exclude public universities from the schedule of federal financial assistance programs covered by the single audit; however, audits of those entities excluded must be made in accordance with the statutory requirements and provisions of OMB Circular A-110.

C. Basis of Accounting

Federal financial assistance programs included in the accompanying schedule are presented using the cash basis of accounting. Under the cash basis of accounting, expenditures are recognized when paid rather than when incurred.

All federal expenditure amounts are presented as of June 30, 1989, except for those federal funds administered by the Oklahoma Employment Security Commission which is presented as of September 30, 1988. The fiscal year 1988 federal expenditures for Oklahoma Employment Security Commission were also presented in the Single Audit for fiscal year ending June 30, 1988.

The value of food commodity distributions on the accompanying schedule was calculated using the U.S. Department of Agriculture, Food Nutrition Service commodity price list as of June 30, 1989.

The food stamp issuance amount included in the accompanying schedule is stated at the face value of the food stamp coupons at the date of issuance.

D. Expenditures and Expenses

Certain transactions relating to federal financial assistance may appear in the records of more than one state grantee agency. To avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the State of Oklahoma, when monies are received by one state grantee agency and redistributed (expended) to another state grantee agency (i.e., a pass-through of funds by the primary recipient state grantee agency to a sub-recipient state grantee agency), the federal financial assistance will be listed first under the primary recipient followed by the sub-recipient(s).

REPORT ON INTERNAL CONTROLS (ACCOUNTING AND ADMINISTRATIVE) - BASED ON A STUDY AND EVALUATION MADE AS A PART OF AN AUDIT OF THE GENERAL PURPOSE OR BASIC FINANCIAL STATEMENTS AND THE ADDITIONAL TESTS REQUIRED BY THE SINGLE AUDIT ACT

1907

STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City, OK 73105
405/521-3495

TO THE GOVERNOR AND MEMBERS OF
THE LEGISLATURE OF THE STATE
OF OKLAHOMA

We have audited the general purpose financial statements of the State of Oklahoma, for the year ended June 30, 1989, and have issued our report thereon dated June 29, 1990. As a part of our audit, we made a study and evaluation of the internal control systems, including applicable internal administrative controls, used in administering federal financial assistance programs to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, the Single Audit Act of 1984, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. For the purpose of this report we have classified the significant internal accounting and administrative controls used in administering federal financial assistance programs in the following categories:

ACCOUNTING CONTROLS

Cash Receipts
Inventories
Fixed Assets
Cash Disbursements
Purchasing and Receiving
Payroll
Reporting
Electronic Data Processing
General Ledger

ADMINISTRATIVE CONTROLS

General Requirements

Political Activity
Davis-Bacon Act
Civil Rights
Cash Management
Federal Financial Reports
Relocation Assistance and Real Property Acquisition

Specific Requirements

Types of Services Allowed or Unallowed
Eligibility
Matching and Level of Effort
Reporting
Cost Allocation
Special Requirements, if any
Monitoring Subrecipients

Our study and evaluation of internal controls did not extend to internal controls used solely in administering federal financial assistance programs of the state's public universities, which may be excluded from the requirements of OMB Circular A-128. The public universities of the State of Oklahoma are covered under the provisions of OMB Circular A-110. Our study did not cover the Oklahoma Conservation Commission-Abandoned Mine Land Reclamation Program, the Department of Commerce, the Regents for Higher Education, or the Student Loan Authority. These component units of the State of Oklahoma were audited by other auditors whose reports have been furnished to us, and all related findings and recommendations for those entities are based solely upon the report of other auditors.

The management of the State of Oklahoma is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and fairly disclosed in reports.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study included all the applicable control categories listed above. During the year ended June 30, 1989, the State of Oklahoma expended 94 percent of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal control systems used solely in administering the nonmajor federal financial assistance programs of the State of Oklahoma, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering the nonmajor federal financial assistance programs of the State of Oklahoma did not extend beyond this preliminary review phase.

Because of the large number of nonmajor programs and the decentralized administration of these programs, we performed procedures to obtain an understanding of internal control structure policies and procedures relevant to nonmajor programs on a cyclical basis. Our procedures during the current year covered 51 percent of the nonmajor programs administered by the State of Oklahoma as a whole. The nonmajor programs not covered during the current year are expected to be subject to such procedures at least once over the next two fiscal years.

Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of the State of Oklahoma. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of the State of Oklahoma. Further, we do not express an opinion on the internal control systems used in administering the major federal financial assistance programs of the State of Oklahoma.

Also, our audit, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems used solely in administering nonmajor federal financial assistance programs.

However, our study and evaluation and our audit disclosed certain conditions, as described in the accompanying schedule, that we believe result in more than a relatively low risk that errors or irregularities in amounts that would be material to a federal financial assistance program may occur and not be detected within a timely period.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in (1) our audit of the 1989 general purpose financial statements and (2) our audit and review of the State of Oklahoma's compliance with laws and regulations noncompliance with which we believe could have a material effect on the allowability of program expenditures for each major federal financial assistance program and nonmajor federal financial assistance programs. This report does not affect our reports on the general purpose financial statements and on the State of Oklahoma's compliance with laws and regulations dated June 29, 1990.

This report is intended solely for the use of the management of the State of Oklahoma, members of the Legislature, and the appropriate grantor agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

SCHEDULE OF FINDINGS AND RECOMMENDATIONS ON WEAKNESSES IN INTERNAL CONTROLS RELATED TO FEDERAL PROGRAMS

STATE OF OKLAHOMA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS ON WEAKNESSES IN INTERNAL CONTROLS RELATED TO FEDERAL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 1989

CFDA Number — Findings and Recommendations

OKLAHOMA APPELLATE PUBLIC DEFENDER SYSTEM

None — Cash Disbursements

It was discovered during our internal control review that the same person prepares and authorizes purchase orders and claims. This person also receives warrants from the Office of State Finance and mails them to the vendors.

We recommend that someone other than the preparer authorize purchase orders and claims. Also, someone that does not have record-keeping responsibilities should mail warrants to vendors.

All Federal Programs — Cash Receipts

Incoming checks or warrants are not restrictively endorsed immediately upon receipt.

We recommend all incoming checks and warrants be restrictively endorsed upon receipt.

All Federal Programs — Cash Receipts

It appears there is not adequate segregation of duties to prevent the same person from receiving, receipting, recording, and depositing checks or warrants.

We recommend the responsibility for handling and depositing incoming checks or warrants should be separated from record-keeping responsibilities.

All Federal Programs — Cash Receipts and Cash Disbursements

Reconciliations of receipts and disbursements to the State Treasurer's Office records and the Office of State Finance records are not reviewed and approved by someone other than the preparer. These reconciliations are not being maintained in the agency records.

We recommend reconciliations be reviewed and approved by someone other than the preparer for adequate segregation of duties. We recommend that these reconciliations be maintained by the agency.

None **Grant to Death Penalty Resource Center**

Payroll

Adequate segregation of duties over the payroll function is not being maintained. The same person prepares payroll claims, receives payroll warrants, and distributes warrants to employees.

We recommend an employee who has no payroll record-keeping responsibilities receive and distribute payroll warrants to employees.

All Federal Programs

Policies and Procedures

During the year ending June 30, 1989, the Oklahoma Appellate Public Defender System did not have written policies and procedures concerning accounting, purchasing and cost allocation.

We recommend that written policies and procedures for accounting, purchasing and cost allocation be developed by the Oklahoma Appellate Public Defender System.

OKLAHOMA CIVIL DEFENSE

All Federal Programs

Property and Equipment

The agency does not include use and condition of inventorial property on the inventory list. **(Repeat Finding)**

We recommend that use and condition of property be included on the inventory list.

All Federal Programs

Property and Equipment

One piece of equipment that appeared in our sample was purchased out of two separate accounts. Only one account number appeared on the inventory list. **(Repeat Finding)**

We recommend all funding sources be included on the inventory listing.

OKLAHOMA COMMISSION ON CHILDREN AND YOUTH

16.540 **Juvenile Justice and Delinquency Prevention - Allocations to States**
84.024 **Handicapped Early Childhood Education**

Fixed Assets

A fixed asset listing is currently maintained that includes proper description and valuation. However, no fixed asset controls are maintained to reflect total value of the fixed asset inventory. **(Repeat Finding)**

We recommend that control totals be maintained and balanced regularly to the detail listing.

CFDA Number

Findings and Recommendations

All Federal Programs

Control Environment

Review of the internal control questionnaire reveals that duties relating to financial transactions, reporting, and reconciling are assigned to the same employee. The limited number of office personnel within small agencies sometimes prevents a proper segregation of accounting functions, which is necessary to assure adequate internal accounting controls. **(Repeat Finding)**

We recommend that management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions the most effective controls lie in management's knowledge of agency operations and a periodic review of those operations.

All Federal Programs

Payroll

The Commission does not maintain adequate segregation of duties over the payroll functions. The same individual prepares the payroll claim, signs the payroll claim, and approves employee authorization/change forms. **(Repeat Finding)**

We recommend adequate segregation of duties be established which would not allow the same individual to prepare payroll claim, sign payroll claim, and approve employee authorization/change forms.

OKLAHOMA CONSERVATION COMMISSION

15.252

Abandoned Mine Land Reclamation (AMLR) Program

Cash Disbursements

Reimbursement of Costs to the Oklahoma Conservation Commission

The Conservation Commission is permitted to submit claims against the AMLR grant funds on deposit in the State Treasury Account No. 400 to the extent of a monthly office rental charge by the Commission and any direct expense paid by the Commission on behalf of the AMLR Program. The AMLR Program does not maintain adequate records to support the amount of office rental charges paid from the 400 Fund to the Commission. We recommend that the AMLR Program discontinue this method of reimbursement of monthly office rental charges. **(Outside Independent Audit Finding)**

15.252 **Abandoned Mine Land Reclamation (AMLR) Program**

Cost Allocation

Indirect Costs

The AMLR Program administrative and construction grants were charged indirect costs based on a percentage of direct salaries. The indirect cost was paid to the Okmulgee County Conservation District to cover certain indirect costs incurred on behalf of the AMLR Program. However, there was no documentation in support of the indirect cost amount charged. We recommend that documentation in support of the indirect cost be maintained by the Commission, and that the indirect cost rate be evaluated periodically to insure that the AMLR Program is not over-reimbursing for indirect costs. **(Outside Independent Audit Finding)**

OKLAHOMA DEPARTMENT OF EDUCATION

**All Federal
Programs
Except Child
Nutrition
Programs**

Cash Management

The documentation supporting draws for school payments is not consistently reviewed for accuracy before funds are drawn.

We recommend a review for accuracy of all support documentation be performed before funds are drawn.

10.555 **National School Lunch Program**

Matching and Level of Effort

The Department excludes from its required matching funds the expenditures incurred by the Department of Human Services (DHS) for commodity distribution. The expenditures incurred by DHS are the net of the cost of commodity distribution less the commodity distribution fees collected. The Department had no documentation to support the amount of commodity fees collected. According to the Common Rule, Section .20(6), "Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc." **(Repeat Finding)**

We recommend the Department maintain supporting documentation for all elements of the matching requirement calculation.

84.027 **Handicapped State Grants**

Fixed Assets

Two of a sample of 63 property and equipment purchases tested did not have identification tags affixed to the items purchased.

We recommend the Department affix identification tags to all equipment items.

10.558 **Child Care Food Program**

Control Environment

The Child Nutrition Program Division maintains individual account cards on each Child Care Food Program recipient. When attempting to confirm Child Care Food Program amounts received by two Day Care Sponsors, variances were noted which were attributable to these cards being incorrectly posted.

We recommend these individual account cards be accurately maintained and periodically reviewed at random.

84.027 **Handicapped - State Grants**

Control Environment

During testwork on cash disbursements, it was noted there was no approved budget for one local school district. There was, however, a proposed budget included in the school file which did not foot or crossfoot. According to Department of Education requirements, each local school district must have an approved budget on file with the Department before payments will be made.

We recommend the Department establish procedures to assure completeness of local school district files.

84.027 **Handicapped - State Grants**

Control Environment

During the examination of local school district files, the "allowable cost" form could not be located in one school file. According to Department of Education requirements, each local school district must have a signed "allowable cost" form on file with the Department before payments will be made.

We recommend the Department establish procedures to assure completeness of local school files.

All Federal Programs

Reporting

The Department reports refunds of federal funds as federal revenues on their Schedule of Federal Financial Assistance.

We recommend refunds of federal funds received by the Department be reported as a reduction of federal expenditures on their Schedule of Federal Financial Assistance.

All Federal Programs

Property and Equipment

The Department's annual physical inventory count is performed from computer listings which include the item description, tag number, and serial number.

We recommend the annual physical inventory count be performed from a computer listing which includes only the item description; the person conducting the count should supply the tag number of each item, and the serial number when applicable.

OFFICE OF THE GOVERNOR

All Federal Programs

Payroll

The agency payroll claim for the month of November, 1988 was not signed by one of the three authorized signatures on file. The individual who prepared the claim signed the name of the approving officer without written authorization and noted her signature below. Due to the limited number of employees in the Governor's Office, proper segregation of duties is rather difficult. The procedures in existence for preparation of the payroll claims insures that adequate separation of duties does exist.

We recommend that the payroll preparation procedures be adhered to at all times. If the procedures must be deviated from, written documentation authorizing the change should be obtained.

OKLAHOMA DEPARTMENT OF HEALTH

10.557 **Special Supplemental Food Program for Women, Infants, and Children**
13.994 **Maternal and Child Health Services Block Grant**

Reporting

The Department reports refunds of federal funds as federal revenues. (Repeat Finding)

We recommend refunds of federal funds received by the Department be reported as a reduction of federal expenditures.

CFDA Number — Findings and Recommendations

All Federal Programs

Cost Allocation

One timesheet was noted on which there was no approval signature by the supervisor.

We recommend the appropriate supervisor sign each timesheet.

All Federal Programs

General Fixed Assets

The Department does not conduct an annual physical inventory of fixed assets. Effective internal control procedures include performing an annual physical inventory.

We recommend that the Department conduct a physical inventory of fixed assets and reconcile the results with property records at least once annually.

10.557

Special Supplemental Food Program for Women, Infants, and Children

Cash Management

The cash balance on hand amount included on a daily cash needs worksheet for the program could not be traced to supporting documentation.

We recommend that supporting documentation be maintained for all figures on the daily cash needs worksheet.

10.557

Special Supplemental Food Program for Women, Infants, and Children

Control Environment

Testwork of telephone credit card controls revealed that adequate records of card usage were not being maintained during a portion of fiscal year 1989. It was also noted that no review of the invoices supporting monthly billings was being performed.

We recommend that adequate records reflecting credit card usage be maintained at all locations. Invoices supporting monthly billings should be reviewed for accuracy and completeness.

CFDA Number — Findings and Recommendations

10.557 **Special Supplemental Food Program for Women, Infants, and Children**

Cash Disbursements

It was noted while testing administrative expenditures that an invoice supporting a claim amount could not be mathematically extended due to incomplete information. The Common Rule, Section .20(b) states that accounting records must be supported by proper source documentation.

We recommend that all claims processed be properly supported by source documentation.

OKLAHOMA DEPARTMENT OF HUMAN SERVICES

13.714 **Medical Assistance Program**

Special Requirements

One of 60 Medical Quality Control (MQC) cases contained client insurance information that did not agree with the MQC case file, the county case file, and UNISYS records. The client's insurance was cancelled, but the county did not verify its cancellation or notify UNISYS of the cancellation.

"States must have a system that takes reasonable measures to identify medical services which are the legal obligations of liable third parties, such as private health or accident insurers..." (45 CFR 433.135-.154)

We recommend the Department implement proper internal control procedures to ensure that the county and UNISYS records agree.

13.780 **Assistance Payments - Maintenance Assistance**

Eligibility

The Quality Control reviewers do not verify all dates on documentation found in the case files. Several documents in the case files did not have a record of the date when the information was obtained; therefore, we were unable to determine to which audit period it pertained.

The Quality Control Manual states, "In recording information on the worksheet, the reviewer must include...Date of contact."

We recommend that the Quality Control reviewer follow the Quality Control Manual to ensure proper eligibility determinations have been made.

CFDA Number — Findings and Recommendations

13.780 **Assistance Payments - Maintenance Assistance**

Reporting

The Department has not established written procedures to ensure that program estimates reported on the SSA-65 and FSA-125 Federal Estimation reports are properly calculated and supported by adequate documentation.

Expenditure estimates, used to generate Federal Estimation reports, should be complete and adequately supported by the Department's accounting records. **(Repeat Finding)**

We recommend that written policies and procedures be established for calculating expenditure estimates for the program.

84.126 **Rehabilitation Services - Basic Support**

Cash Disbursements

We examined supporting documents (ADM-6, ADM-12, F-20, F-21 and invoices) for completeness and agreement with their corresponding claims. We discovered one instance, from a sample size of 40 claims, which contained unexplained/unauthorized changes to the supporting documentation.

We recommend the Department require an authorizing signature for any changes that are made to documents.

All Federal Programs

Cash Disbursements

"Returned Warrants" are warrants that have been mailed to the payee, but returned to the Department by the post office for various reasons. These warrants are not recorded when received in the Departmental Services' mail room. A Revenue Processing Unit employee picks the warrants up and delivers them to the Finance Division postal clerk. The postal clerk distributes the returned warrants to personnel in the Finance-Operations Unit or the Claims Processing Unit. Only then are they recorded as having been returned. At no time are these warrants signed for by an employee accepting custody of warrants.

Common Rule, §__20 (b) (3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes." **(Repeat Finding)**

We recommend the Department record "returned warrants" upon receipt and require that anyone accepting custody of these warrants be required to sign for them.

All Federal Programs

Cash Disbursements

Unnumbered warrant stock is removed from the Management Information Division Warrant Security Unit by personnel without signing for the warrants. The ultimate disposition of these warrants is not documented.

Common Rule §_.20 (b) (3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

We recommend the Department implement procedures to assure the accountability of all warrant stock.

All Federal Programs

Cash Disbursements

The Finance Division Warrant Control Unit does not make a comparison between the number of warrants which the Finance Division's Data Processing Unit or the Management Information Division (MID) has generated and the number of warrants which have been received for signature.

The recorded accountability for assets should be compared with the existing assets at reasonable intervals and appropriate action should be taken with respect to any differences. (Repeat Finding)

We recommend the Finance Division Warrant Control Unit reconcile the number of warrants generated by MID and the Data Processing Unit to the number of warrants it receives for signature.

All Federal Programs

Cash Disbursements

The Department has developed written policies and procedures for the custody and accountability of blank warrant stock and the processing of warrants through the Management Information Division (MID). However, policies and procedures have not been developed for warrants after they are delivered to the Sequoyah Office Building to be signed and mailed. In addition, there are no written policies and procedures for the custody and accountability of blank warrant stock and the processing of those warrants by the Finance Division's Data Processing and Warrant Control Units. (Repeat Finding)

We recommend written policies and procedures be implemented for warrants after they are delivered to the Sequoyah Office Building and for the processing of warrants by the Finance Division's Data Processing and Warrant Control Units.

CFDA Number	Findings and Recommendations
All Federal Programs	Cash Disbursements Various Department employees have access to the room where the signed warrants are stored prior to mailing. Common Rule, §__20, (b), (3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes." **(Repeat Finding)** We recommend the Department implement policies and procedures regarding the custody and accountability for the processing of warrants by the Mail Room.
All Federal Programs	Cash Disbursements We examined the authorization/approval signatures on supporting documents (ADM-6, ADM-12, F-20, F-21, and invoices) for selected claims. We discovered 28 instances, from a sample size of 40 claims, where the authorizing/approving employee's signature appeared to have been made by someone other than the designated employee. We recommend the Department strengthen internal controls by having written documentation which lists those employees authorized to approve transactions. All authorized individuals should then sign his/her own name.
All Federal Programs	Cash Disbursements "Unnumbered" warrant stock is stored at the Warrant Security Unit of the Management Information Division (MID). The unnumbered warrant stock is used to replace warrants that have been voided. These unnumbered warrants have a number printed on the perforated edge of the warrant for identification purposes. Unnumbered warrants were entered on the shredded documents list as "unnumbered warrant" rather than listing the number assigned to those warrants. It could not be determined if all voided warrants from the unnumbered warrant stock, were destroyed. The Common Rule, §__20 (b) (3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes..." We recommend the Department implement written policies and procedures to assure adequate accountability of all warrants.

All Federal Programs

Cash Disbursements

The FS-75 report is prepared to account for assistance expenditures and is used by Department accountants to prepare reports to Federal agencies. The number of warrants issued as indicated by the FS-75 reports differed from the sequential warrant register. The FS-75 reports did not account for 13,498 warrants.

Common Rule §__.20, (a) states, "...fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to--(1) Permit preparation of reports required by this part and the statutes authorizing the grant..."

We recommend that the Department implement policies and procedures for uniform reporting of warrant issuance and account for the numerical sequence.

All Federal Programs

Cash Disbursements

The physical custody of blank prenumbered warrant stock for the Finance Division Data Processing Unit is maintained by a clerk in the Warrant Control Unit who also has record keeping responsibilities.

Adequate internal controls should be in place to assure that no one individual has both custodial and record keeping responsibilities. (Repeat Finding)

We recommend procedures be implemented to adequately segregate duties among Department personnel.

All Federal Programs

Cash Disbursements

Signature plates for the warrant-signing machine are kept in a desk which is occasionally unlocked and unattended. We also noted that there are six obsolete signature plates kept by the Warrant Control Unit. Since the obsolete plates are not used, their absence may not be noticed. These plates were designed for use in the warrant signing machine, but can be used manually.

Common Rule, §__.20, (b), (3) Internal Control states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes." (Repeat Finding)

We recommend the Department initiate proper control over signature plates and properly safeguard any plates which are obsolete.

CFDA Number Findings and Recommendations

All Federal Programs

Cash Disbursements

Two hundred six (206) issued and mailed warrants were erroneously entered on the shredded documents list. This list is maintained by the Warrant Security Unit at the Management Information Division and is used to document the disposition of voided warrants.

The Common Rule, §__.20, (b)(3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets..."

We recommend that the Department implement procedures to assure adequate accountability of all warrants.

All Federal Programs

Cash Disbursements

Warrant Numbers 8300001 through 8328000 were not issued because of a printing error by the vendor and all were scheduled to be destroyed; however, warrant numbers 8300001 through 8300149 (149 warrants) were not entered on the shredded documents list. Final disposition of these warrants could not be determined.

The Common Rule, §__.20,(b)(3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets..."

We recommend the Department implement procedures to assure accountability of all warrants.

All Federal Programs

Cash Disbursements

The physical custody of blank warrant stock for the Management Information Division is maintained by a clerk in the Warrant Security Unit who also has record keeping responsibilities.

Adequate internal control should be in place to assure that no one individual has both custodial and record keeping responsibilities. **(Repeat Finding)**

We recommend procedures be implemented to segregate duties among personnel.

All Federal Programs

Cash Disbursements

The duties of personnel in the Finance Division Warrant Control Unit may not be properly segregated. Adequate internal controls should be in place to assure that no one individual is in a position to both perpetrate and conceal errors in the normal course of the individual's duties. The Department has not implemented adequate controls for the segregation of duties among personnel in this instance. **(Repeat Finding)**

We recommend the Department prepare and implement procedures for the segregation of duties among personnel.

CFDA Number | Findings and Recommendations

All Federal Programs

Cash Disbursements

The authorizing signatures were examined on letters sent from the Management Information Division (MID) to Finance-Operations (informing them what warrants were being voided, why they were being voided, and when). The signature on the letter was compared to the signature in the authorizing employee's personnel file. The employee's signature appeared to have been made by someone other than the authorizing employee. The Department has not established written criteria for the approval of warrant control documents; however, allowing various employees to sign the authorizing employee's signature diminishes the credibility of the approval signature of the authorized employee. **(Repeat Finding)**

We recommend the Department strengthen internal controls to ensure the letters sent from MID to Finance-Operations are properly authorized.

All Federal Programs

Property and Equipment

Department procedures are not adequate to assure that all equipment purchases are recorded in the Equipment Master data base. When equipment is purchased by institutions, a receiving report is submitted to Departmental Services by the institutions, which is used to input the equipment purchase to the Equipment Master data base. There are no procedures to verify that receiving reports are submitted for all equipment purchased by institutions.

Section 1539 of the DHS policy manual states, "The property controls consist of: one ledger maintained by nomenclature and by OPWC number; one ledger maintained by location by nomenclature, and by OPWC number; and equipment record card for each item of equipment;..."

We recommend procedures be implemented to assure that receiving reports are received by Departmental Services for all equipment purchased.

All Federal Programs

Types of Services Allowed or Unallowed

Written policies and procedures for reviewing expenditures charged to federal programs to assure compliance with OMB Circular A-87, "Cost Principles for State and Local Governments" have not been developed. **(Repeat Finding)**

We recommend the Department prepare and implement procedures to assure compliance with OMB Circular A-87.

CFDA Number — Findings and Recommendations

OKLAHOMA STATE BUREAU OF INVESTIGATION

16.579 **Drug Control and System Improvement - Formula Grant**

Control Environment

Segregation of duties is sometimes inadequate to insure protection of Federal assets. The person who initiates the request for funds and determines the amount of funding needed, is also the person who authorizes (approves) the request.

We recommend that grant authorizations be approved only by the Director, Deputy Director or Controller.

None **Leviticus Project (LP-142)**

Control Environment

No grant agreement was available for the grant from the Leviticus Project Association, Inc. (a Federally funded, private organization organized to combat crime in the coal, oil and gas, and extractive minerals industries).

We recommend that the OSBI retain signed agreements for all Federally funded grants.

All Federal Programs

Control Environment

The authority in financial approvals appears to be overly concentrated in the Controller. The OSBI Controller is responsible for the accounting, purchasing, personnel, and training sections (training beginning July 1, 1990). Additionally, he acts as accounting supervisor and performs many routine accounting duties. All financial and personnel/payroll approvals must be made by the Controller. None of the people working in the Controller's area of responsibility appear to have the education or experience to act in his stead when the Controller is absent or to assist him when the workload is excessive. This concentration of duties could have a detrimental effect on the financial and accounting system if the Controller was absent from work for a lengthy period of time.

We recommend the agency seek approval for an additional supervisory accounting position in the office of the Controller. This position should be a professional level employee, with a degree in Business or Accounting, and would be responsible for supervising the accounting section with authority to act as Controller in the Controller's absence.

OKLAHOMA BUREAU OF NARCOTICS AND DANGEROUS DRUGS

All Federal Programs

Fixed Assets

As provided by 74 O.S. Supp. 1988, Sec. 110.1, "...inventory shall consist of machinery, implements, tools, furniture, livestock, vehicles, and other apparatus that may be used repeatedly without material impairment of its physical condition and which has a calculable period of service and a value of over One Hundred Dollars ($100.00)..." During our audit, we noted that the Bureau maintains a listing of all inventory items with a value of $50.00 or more.

We recommend that the Bureau remove all items from its inventory listing which do not have a calculable period of service and a value of over $100.00, and should maintain a listing of its inventory items in accordance with 74 O.S. Supp. 1988, Sec. 110.1.

OKLAHOMA DEPARTMENT OF TRANSPORTATION

None

Federal Aviation Administration

Cash Receipts

There appears to be a lack of segregation of duties in the administration of the Federal Aviation Administration Program. One individual initiates request for funds documents, receives the incoming checks or warrants, endorses the checks and warrants and records the receipt of funds in the accounting records.

We recommend that the Department of Transportation Comptroller be designated to receive all checks and warrants for processing. This would safeguard the disposition of these funds and eliminate the need for hiring additional employees.

20.205

Highway Planning and Construction

Control Environment

It was observed while testing construction contracts that several Authority for Expenditure (Form A-68) revisions did not have proper authorization reflected.

We recommend that all revisions to Authority for Expenditure forms be signed by the proper authority.

CFDA Number — Findings and Recommendations

All Federal Programs Except 20.205

Control Environment

The Oklahoma Department of Transportation instituted an automatic billing system for Federal Highway Administration projects in November, 1987. The system printed its first billings in April, 1988. This system was intended to prepare federal billings for all federal programs. However, to date, the system is preparing only Federal Highway Administration billings. The other federal programs (Federal Railroad Administration, Urban Mass Transportation Administration, National Highway Traffic Safety Administration, and Federal Aviation Administration) are still prepared manually.

We recommend the Oklahoma Department of Transportation take measures to automate all billings for federal programs. The billings which are prepared by hand are subject to a higher degree of errors because the information necessary to complete billings is not readily accessible. When all federal billings are automated, the information needed for billings will be easily assessed by the operators of the system. Another benefit is that an up-to-date status will be available for all federal programs.

All Federal Programs

Control Environment

The Department of Transportation does not maintain adequate supporting documentation for its schedule of federal financial assistance, reports and financial statements. Upon request for supporting documentation, it was noted that department personnel, many times, would recreate data and computer print-outs. These print-outs and/or reports, in some cases, did not tie or adequately support the original data.

We recommend that the Department keep supporting documents on hand to provide support for the amounts reported on schedules or financial statements. The supporting documents should indicate exactly how and from where an amount was obtained. This provides an adequate audit trail between financial statements and financial ledgers and would also eliminate the additional time taken to recreate data.

20.600 **State and Community Highway Safety**

General Ledger

Federal reimbursements for National Highway Traffic Safety Administration (NHTSA) projects for the fiscal year ended June 30, 1988, were not recorded on the general ledger until July, 1988. The reimbursements were received in the Highway Safety Division of the Oklahoma Department of Transportation during fiscal year 1988.

We recommend the federal reimbursements be posted to the general ledger in a timely manner.

OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS

64.015 **Veterans State Nursing Home Care**

Cash Disbursements

The Oklahoma Department of Veterans Affairs does not have any written policies and procedures concerning credit card use.

We recommend that the Department develop and implement policies and procedures concerning credit card use.

AUDITOR'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS
RELATED TO MAJOR AND NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1989

1907

STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON SCOTT
State Auditor and Inspector

100 State Capitol
Oklahoma City OK 73105
405 521-3495

TO THE GOVERNOR AND MEMBERS OF
THE LEGISLATURE OF THE STATE
OF OKLAHOMA

We have examined the general purpose financial statements of the State of Oklahoma, for the year ended June 30, 1989, and have issued our report thereon dated June 29, 1990. Our examination was made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, *Audits of State and Local Governments* and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements or the segments of the schedule of federal financial assistance of the Oklahoma Conservation Commission-Abandoned Mine Land Reclamation Program, the Department of Commerce, the Regents for Higher Education, or the Student Loan Authority. Those financial statements were examined by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned entities, is based solely upon the reports of the other auditors.

The scope of this examination did not include testing transactions and records from federal financial assistance programs of the public universities of Oklahoma for compliance with laws and regulations which could have a material effect on the allowability of program expenditures. The state's public universities are covered under the provisions of OMB Circular A-110.

The management of the State of Oklahoma is responsible for the state's compliance with laws and regulations. In connection with the examination referred to in the first paragraph, we selected and tested transactions and records from each major federal financial assistance program and certain nonmajor federal financial assistance programs, except for those federal financial assistance programs identified in the preceding paragraph. The purpose of our testing of transactions and records from those federal financial assistance programs was to obtain reasonable assurance that the State of Oklahoma had, in all material respects, administered major programs, and executed the tested nonmajor program transactions, in compliance with laws and regulations, including those pertaining to financial reports and claims for advances and reimbursements, noncompliance with which we believe could have a material effect on the allowability of program expenditures.

Our testing of transactions and records selected from major federal financial assistance programs disclosed instances of noncompliance with those laws and regulations. All instances of noncompliance that we found and the programs to which they relate are identified in the accompanying schedule of compliance findings and questioned costs.

In our opinion, based on our examination and the reports of the other independent auditors, subject to the effect of the ultimate resolution of those instances of noncompliance referred to in the preceding paragraph, and except for the effects of such noncompliance, if any, as might have been found had we tested the transactions and records of the federal financial assistance programs administered by the state's public universities for compliance with those laws and regulations, the State of Oklahoma administered each of its major federal financial assistance programs for the year ended June 30, 1989 in compliance, in all material respects, with laws and regulations, including those pertaining to financial reports and claims for advances and reimbursements, noncompliance with which we believe could have a material effect on the allowability of program expenditures.

The results of our testing of transactions and records selected from nonmajor federal financial assistance programs, which did not include the testing of transactions and records from the nonmajor programs administered by the state's public universities, indicate that for the transactions and records tested, the State of Oklahoma complied with the laws and regulations referred to in the third paragraph of our report, except as noted in the accompanying schedule of compliance findings and questioned costs. Our testing was more limited than would be necessary to express an opinion on whether the State of Oklahoma administered those programs in compliance, in all material respects, with those laws and regulations noncompliance with which we believe could have a material effect on the allowability of program expenditures; however, with respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the State of Oklahoma had not complied with the laws and regulations other than those laws and regulations for which we noted violations in our testing referred to above.

Clifton H. Scott

CLIFTON H. SCOTT
State Auditor and Inspector

June 29, 1990

SCHEDULE OF COMPLIANCE FINDINGS AND RECOMMENDATIONS AND QUESTIONED COSTS RELATED TO FEDERAL PROGRAMS

STATE OF OKLAHOMA
SCHEDULE OF COMPLIANCE FINDINGS AND RECOMMENDATIONS AND QUESTIONED COSTS RELATED TO FEDERAL PROGRAMS
FOR THE FISCAL YEAR ENDING JUNE 30, 1989

CFDA Number	Findings and Recommendations	Questioned Costs
	OKLAHOMA DEPARTMENT OF HUMAN SERVICES	
10.551	**Food Stamps**	
	Eligibility	
	The Quality Control reviewer did not always obtain proper primary or secondary sources of verification of the eligibility factors of age and ownership of a vehicle.	
	The Food Stamp Quality Control Manual states, "Primary evidence must be sought first and if obtained it is a sufficient basis for verification. Secondary evidence may only be used when primary evidence cannot be obtained or when the reliability of available primary evidence is questionable. The reason for considering it questionable must be documented in the Quality Control file. Because secondary evidence is not as reliable as primary evidence, verification must be documented by at least two items of secondary evidence." and "Age must be verified for all persons in the household. Age must be verified as of the review date in prospective eligibility cases. In retrospective eligibility cases, age must be verified as of the last day of the budget household month." and "For each household the review will determine ownership, status with respect to use and license, and value of all vehicles which the household owns."	$ 3,737
	We recommend that the Quality Control reviewers follow the Food Stamp Distribution Quality Control Manual concerning the necessary verification for determining eligibility.	

CFDA Number	Findings and Recommendations	Questioned Costs
10.551	**Food Stamps**	
	Eligibility	
	The Quality Control reviewer did not examine any primary sources and only one secondary source for verification of the eligibility element of vehicle ownership, in two cases tested.	
	The Food Stamp Quality Control Manual states, "Primary evidence must be sought first and if obtained it is a sufficient basis for verification. Secondary evidence may only be used when primary evidence cannot be obtained or when the reliability of available primary evidence is questionable. The reason for considering it questionable must be documented in the QC file. Because secondary evidence is not as reliable as primary evidence, verification must be documented by at least two items of secondary evidence."	$ 170
	We recommend the Quality Control reviewers follow the Food Stamp Quality Control Manual concerning the necessary verification for determining eligibility.	
10.551	**Food Stamps**	
	Eligibility	
	The Quality Control reviewers did not resolve conflicting information concerning the social security number in one of 50 cases tested. The number documented on the Quality Control worksheet did not match the copy of the social security card located in the case file.	
	The Food Stamp Quality Control Manual states, "The reviewer must use verified information that should have been effective as of the review date to determine if the household was eligible..."	-0-
	We recommend the Quality Control reviewers follow the Quality Control Manual to ensure that proper eligibility determinations have been made.	

CFDA Number	Findings and Recommendations	Questioned Costs
	OKLAHOMA DEPARTMENT OF HEALTH	
10.557	Special Supplemental Food Programs for Women, Infants and Children	
	Cash Management	
	Amounts for claims on hand shown on the draw request worksheets could not be traced to supporting documentation. The Common Rule, Subpart C § .20(6) Source Documentation states that the accounting records must have supporting documentation. (Repeat Finding)	$ -0-
	We recommend supporting documentation be maintained for all amounts on the draw request worksheets. This will help insure the validity of the recorded amounts.	
10.557	Special Supplemental Food Programs for Women, Infants and Children	
	Types of Services Allowed or Unallowed	
	A test of a sample of redeemed food vouchers revealed that on 22 vouchers, the signatures on the bottom of the vouchers did not match. Page 19 of the WIC Vendor Handbook states that the "Signature of person receiving food" should match the "Signature of patient/parent/guardian".	295
	We recommend that redeemed WIC vouchers be reviewed by appropriate personnel to ensure that the signatures match as noted above.	
10.557	Special Supplemental Food Programs for Women, Infants and Children	
	Types of Services Allowed or Unallowed	
	A test of a sample of redeemed food vouchers revealed that 528 vouchers did not appear to be properly completed. Pages 19 and 20 of the WIC Vendor Handbook give specific instructions for proper completion of WIC food vouchers.	3,554
	We recommend that redeemed WIC vouchers be reviewed by appropriate personnel to ensure proper completion.	

CFDA Number	Findings and Recommendations	Questioned Costs
10.557	**Special Supplemental Food Programs for Women, Infants and Children** Types of Services Allowed or Unallowed A test of a sample of redeemed food vouchers revealed that 23 vouchers were not mathematically accurate. Page 19 of the WIC Vendor Handbook instructs where to include voucher totals and how to correct mistakes. We recommend that redeemed WIC vouchers be reviewed by appropriate personnel to ensure proper completion including accurate mathematical totals.	$ (49)
10.557	**Special Supplemental Food Programs for Women, Infants and Children** Types of Services Allowed or Unallowed A test of a sample of redeemed food vouchers revealed that 14 vouchers did not contain an authorization signature. Page 23 of the WIC Vendor Handbook states that the Department is not required to accept vouchers authorized by persons not on the authorized signature list. We recommend that redeemed WIC vouchers be reviewed by appropriate personnel to ensure that they contain a signature from the authorized signature list.	158
10.557	**Special Supplemental Food Programs for Women, Infants and Children** Monitoring Subrecipients As of the end of field work, the Department had not received audit reports from four of the independent clinics which receive more than $25,000 in federal grant revenues. OMB Circular A-128 requires annual audits for these subrecipient clinics. We recommend that audit reports be received annually from all independent clinics which receive more than $25,000 in federal grant revenues.	-0-

OKLAHOMA DEPARTMENT OF EDUCATION

10.558 **Child Care Food Program**

Monitoring Subrecipients

Although the Department requires independent audits of child care facilities receiving $25,000 or more of federal assistance once every two years in accordance with Federal Regulation 226.8, there is not a system in place to assure these reports are submitted in a timely manner. According to Circular A-128, these audit reports shall be submitted within 30 days after completion of the audit, but no later than one year after the end of the audit period. For this reason, the Department is hindered in its efforts to detect and correct areas of non-compliance in a timely manner. Also, when the Department receives an audit, there is no visible indication that it is reviewed. $ -0-

We recommend the Department establish procedures to assure audits of child care facilities be submitted in a timely manner, reviewed by the Department, and any audit findings be investigated and resolved.

10.558 **Child Care Food Program**

Monitoring Subrecipients

One outside independent audit of a child care facility was performed by an accounting firm which was not licensed to practice public accountancy in Oklahoma. Therefore, this audit does not meet the requirements for the monitoring of subrecipients. -0-

We recommend all audits be performed by firms licensed to practice in Oklahoma and the Department develop procedures to assure they are in compliance with all federal and state regulations.

CFDA Number	Findings and Recommendations	Questioned Costs
	OKLAHOMA DEPARTMENT OF HUMAN SERVICES	
10.561	**State Administrative Matching Grants for Food Stamp Program**	
	Status of Prior or Pending Disallowances	
	The Department faces a potential quality control sanction totaling $6,304,848 for fiscal year 1986. A waiver was submitted and this is presently in grant appeal. (Repeat Finding)	$ 6,304,848
10.568	**Food Distribution**	
	Revenue	
	The amount of revenue received for the Temporary Emergency Food Assistance Program (TEFAP) reported on the Schedule of Federal Financial Assistance, does not agree with the federal confirmation. A U.S. Treasury Check, for the amount of $56,777, was issued in May 1989 and deposited on May 26 to the Clearing Account, but was not transferred from the 1830 Clearing Account until August 1989.	
	OMB Circular A-128 (8-bl) states, "...State and local governments shall identify in their accounts, all Federal funds received and expended, and the programs under which they were received."	56,777
	We recommend procedures be implemented to assure that funds are transferred from the clearing account in a timely manner.	
13.630	**Developmental Disabilities - Basic Support and Advocacy Grants**	
	Property and Equipment	
	One of 44 items of equipment we physically observed did not have an equipment identification tag attached and was not being used.	
	OMB Circular A-87 C.1.a . states that costs, "Be necessary and reasonable for the proper and efficient administration of the grant programs..."	110
	We recommend procedures be implemented to assure unnecessary equipment is not purchased.	

CFDA Number — Findings and Recommendations — Questioned Costs

13.633 **Special Programs for the Aging - Title III Part B - Grants for Supportive Services and Senior Centers**

Cash Management

In the comparison of the Request for Funds - Form SUOA-S-6(A) line 10, to actual amounts paid to the subrecipients, we could not determine that the amounts were related.

The Common Rule §_.20 (b)(7) states, "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed..."

We could not identify any written procedures to instruct recipients of the procedures to be used when requesting funds or completing the SUOA-S-6(A). The person making the determination of how much cash should be advanced to each subrecipient does not document how he made that determination. **(Repeat Finding)** $ -0-

We recommend that the person making the determination of how much cash should be advanced to each subrecipient document how the determination was made. This documentation could serve as support that the advances are in compliance with applicable policies and regulations.

13.635 **Special Programs for the Aging - Title III Part C - Nutrition Services**

Cash Management

In the comparison of the Request for Funds, Form SUOA-S-6(A) line 10, to actual amounts paid to the subrecipients, we could not determine that the amounts were related.

The Common Rule §_.20 (b)(7), states, "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed..."

We could not identify any written procedures to instruct recipients of the procedures to be used when requesting funds or completing the SUOA-S-6(A). The person making the determination of how much cash should be advanced to each subrecipient does not document how he made that determination. **(Repeat Finding)** -0-

We recommend the person making the determination of how much cash should be advanced to each subrecipient document how the determination was made. This documentation could serve as support that the advances are in compliance with applicable policies and regulations.

CFDA Number	Findings and Recommendations	Questioned Costs
13.641	**Special Programs for the Aging - Title III Part D - In-Home Services for Frail, Older Individuals**	
	Cash Management	
	In the comparison of the Request for Funds - Form SUOA-S-6(A) line 10, to actual amount paid to the subrecipients, we could not determine that the amounts were related.	
	The Common Rule §__.20 (b)(7), states, "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed..."	
	We could not identify any written procedures to instruct recipients of the procedures to be used when requesting funds or completing the SUOA-S-6(A). The person making the determination of how much cash should be advanced to each subrecipient does not document how he made that determination. **(Repeat Finding)**	$ -0-
	We recommend that the person making the determination of how much cash should be advanced to each subrecipient document how the determination was made. This documentation could serve as support that the advances are in compliance with applicable policies and regulations.	
13.658	**Foster Care - Title IV-E**	
	Eligibility	
	Five of fifty selected benefit payments were paid on behalf of ineligible clients.	
	According to the OMB compliance supplement "Foster Care maintenance and adoption assistance payments must be made on behalf of clients who meet the eligibility requirements in Federal regulations (45 CFR 1356.60(a)(i)and(ii))."	3,275
	We recommend procedures be implemented to assure that payments are made only to eligible clients.	

CFDA Number	Findings and Recommendations	Questioned Costs
13.658	**Foster Care - Title IV-E**	
	Federal Financial Reports	
	The amounts reported in lines 9 and 10 of the IV-E-2 federal financial reports submitted during fiscal year 1989 were not accurate. The amounts reported were based on a computer generated tracking report. The computer program used to prepare this report contained an error which affected the amounts reported.	
	"Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant." (Common Rule, §20(b)(1))	$ -0-
	We recommend procedures be implemented to assure the expenditures reported on the IV-E-2 are accurate.	
13.658	**Foster Care - Title IV-E**	
	Federal Financial Reports	
	The expenditures reported on the IV-E-2 federal financial report for the quarter ended March 31, 1989, for the IV-E Share of Group Homes, could not be agreed to source documentation.	
	"Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant." (Common Rule, §20,(b)(1))	25
	We recommend procedures be implemented to assure that amounts reported are accurate.	

CFDA Number	Findings and Recommendations	Questioned Costs
13.667	**Social Services Block Grant**	
	Cash Disbursements	
	Payments were made to day care centers without a current provider contract.	
	According to the DHS Policy and Procedures Manual, Section 534.3, "In order for the Department to purchase out of home day care services for children or adults, a facility must have a current Day Care Provider Contract (TXX-1) on file with the State Office Payments and Services Division, Day Care Unit."	$ 1,051
	We recommend the Day Care Unit strengthen controls to ensure all centers receiving payments have current provider contracts.	
13.667	**Social Services Block Grant**	
	Cash Disbursements	
	A variance was noted between the Management Information Division warrant register and the cash book maintained by the Department's Finance Division. The variance resulted because a printer alignment problem in the Finance computer unit caused two warrants, rather than one, to be issued to a vendor. Both warrants were paid by the State Treasurer.	
	Common Rule §__.20, (b) (3) states, "Effective control and accountability must be maintained for all grant and subgrant cash real and personal property, and other assets. Grantees and subgrantees must safeguard such property and must assure that it is used solely for authorized purposes."	80
	We recommend that the Department implement procedures to maintain effective control over the printing of warrants.	

CFDA Number	Findings and Recommendations	Questioned Costs
13.714	**Medical Assistance Program** Cash Disbursements In our testing of warrant issuance, we examined the authorizing signatures on the document provided by the counties to support the warrants and compared the signature on those documents to signatures in the authorizing employee's personnel file. We found one authorizing document that appeared to have been made by someone other than the authorizing employee. The Common Rule §__.20 (b)(3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is solely for authorized purposes." We recommend the Department strengthen controls to assure that all warrants issued have been properly authorized.	$ 363
13.714	**Medical Assistance Program** Cash Disbursements The Department processed fiscal year end medical payments to the State Intensive Care Facilities for the Mentally Retarded (State Schools) in a manner not consistent with the processing of claims for other providers of the Medical Assistance Program. The Department issued warrants to the State Schools before the June claims were processed by UNISYS. The Department normally will not pay medical claims until the claim has been processed by UNISYS. OMB Circular A-87 Section C.1(d) states that costs must "Be consistent with policies regulations, and procedures that apply uniformly to both federally assisted and other activities of the unit of government of which the grantee is a part." We recommend that procedures be implemented to assure that providers of the Medical Assistance Program are treated in a consistent manner.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
13.714	Medical Assistance Program Eligibility The Medical Quality Control (MQC) reviewers do not verify vehicle ownership properly (as defined in the MQC manual) for any cases they review. The MQC manual states that the Department must "...verify ownership of a motor vehicle(s)...for all beneficiaries..." by viewing acceptable primary evidence or "If primary evidence is not obtainable, obtain secondary evidence if it correctly establishes the facts of the case." To verify vehicle ownership or non-ownership, the MQC reviewers use collateral statements as listed in the MQC manual. **(Repeat Finding)** We recommend the Department establish procedures to ensure that the MQC reviewers verify vehicle ownership by using a primary source or two secondary sources as listed in the MQC manual.	$ -0-
13.714	Medical Assistance Program Eligibility There were two Medical Quality Control cases in which citizenship was not verified properly (as defined in the MQC manual). The MQC manual states, "An individual must be a citizen or an alien lawfully admitted for permanent residence...in the U.S....to qualify for Medicaid Coverage." The MQC reviewer must establish this by viewing acceptable primary evidence and, "If primary evidence is not obtainable, obtain secondary evidence if it correctly establishes the facts of the case." We recommend that the Department implement procedures to ensure that the MQC reviewers verify citizenship by using a primary or two secondary sources as required by the MQC manual.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
13.714	Medical Assitance Program Eligibility There were two of 30 Medical Quality Control (MQC) cases in which age was not verified properly (as defined in the MQC manual). The MQC reviewers used Nursing Home records, which are not listed in the manual as primary or secondary sources. The MQC manual states that reviewers must verify age "...if age is a condition of eligibility..." by viewing acceptable primary evidence or "If primary evidence is not obtainable, obtain secondary evidence if it correctly establishes the facts of the case." We recommend the Department implement procedures to ensure MQC reviewers verify age for all beneficiaries, when age is a condition of eligibility, by using primary or two secondary sources listed in the MQC manual.	$ -0-
13.714	Medical Assistance Program Special Requirements A claim was processed as a purely Medical Assistance claim, although Department records indicated the recipient had Medicare coverage at the time the claim was processed. "States must have a system that takes reasonable measures to identify medical services which are the legal obligation of liable third parties, such as private health or accident insurers..." (45 CFR 433.135-.154) No explanation could be provided, and as a result, Medical Assistance Program funds may have been improperly expended. This could indicate an extensive problem; however, we were unable to determine the extent of other similar claims charged to the program that might have passed through the system. **(Repeat Finding)** We recommend the Department establish procedures which take reasonable measures to exhaust third party sources before paying the related claims. We also recommend the Department investigate the extent to which other similar claims might have passed through the system.	66

CFDA Number | Findings and Recommendations | Questioned Costs

13.714 **Medical Assistance Program**

Special Tests and Provisions

In one of 30 medical claims tested, Medical Assistance paid the portion not paid by Medicare Part B. The Department records indicate that the recipient had a Medicare Part B supplement which should have paid the balance of the claim at the time the claim was processed.

"States must have a system that takes reasonable measures to identify medical services which are the legal obligation of liable third parties, such as private health or accident insurers..." (45 CFR 433.135-.154) $ 73

We recommend the Department establish procedures which take reasonable measures to exhaust third party sources before paying the related claims.

13.714 **Medical Assistance Program**

Status of Prior or Pending Disallowances

The Department has incurred a disallowance as a result of findings by the Medicaid Quality Control Unit for the fiscal year ended June 30, 1981. (Repeat Finding) 1,165,431

13.714 **Medical Assistance Program**

Status of Prior or Pending Disallowances

The Department has incurred 7 disallowances as a result of findings by the Health Care Financing Administration for fiscal years ended June 30, 1987 and 1989. 17,663,149

CFDA Number	Findings and Recommendations	Questioned Costs
13.780	**Assistance Payments - Maintenance Assistance** Cash Disbursements The appropriate 105 form, which is the authorizing document for warrant issuance, could not be found in the case file for nine of 60 cases tested. The Common Rule, §.20,(b)(3) states, "Effective control and accountability must be maintained for all grant and subgrant cash...Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes." We recommend the Department strengthen internal controls by implementing a policy which requires all warrants issued to be properly authorized.	$ 2,897
13.780	**Assistance Payments - Maintenance Assistance** Cash Receipts Incoming cash and checks for AFDC overpayments are picked up in the mail room by personnel from the Revenue Processing Unit. The Revenue Processing personnel are not required to sign for custody of the overpayments. Common Rule, §__.20(b)(3) states, "Effective Control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes." We recommend the Department implement written policies and procedures for the custody and accountability of cash and checks received and processed by the mail room.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
13.780	Assistance Payments - Maintenance Assistance	
	Eligibility	
	Personnel who oversee the administration of the programs are allowed to make ultimate resolution of errors identified by Quality Control. The OMB Compliance Supplement states, "The state is required to maintain a quality control process that reviews the determinations made by the state of recipient eligibility and authorized financial assistance payments and computes with statistical sampling methods, the number and dollar impact of incorrect determinations". **(Repeat Finding)**	$ -0-
	We recommend the final determination of Quality Control errors be placed with an independent party within the Department.	
13.780	Assistance Payments - Maintenance Assistance	
	Eligibility	
	Quality Control reviewers did not always obtain proper primary or secondary sources of evidence for the following factors used in determining recipient eligibility: Ownership of a vehicle, social security number, shelter allowance, residency, citizenship, child support, relationship, earned income, household composition, and age of client. The appropriate evidence for one or more of the factors was missing in 20 of 50 cases selected for testing.	
	The AFDC Quality Control Manual states, "...The reviewer must first attempt to obtain primary evidence. If primary evidence cannot be obtained...secondary evidence must be pursued. A single piece of secondary evidence is not considered to be sufficient documentation by itself, therefore, more than one piece of evidence is required when using secondary sources." **(Repeat Finding)**	6,687
	We recommend the Quality Control reviewers follow the AFDC Quality Control Manual concerning sufficient verification for each factor in determining eligibility.	

CFDA Number	Findings and Recommendations	Questioned Costs
13.780	Assistance Payments - Maintenance Assistance	
	Eligibility	
	The Quality Control reviewer did not verify the location where an AFDC client cashed an assistance warrant.	
	The AFDC Quality Control Manual, section 3543, page 67, states, "In determining which banks are to be contacted, or whether a negative allegation should be accepted, the reviewer should determine (1) where the recipient cashes his/her assistance check."	$ 827
	We recommend the Quality Control reviewer follow the Quality Control Manual to ensure that proper eligibility determinations have been made.	
13.780	Assistance Payments - Maintenance Assistance	
	Eligibility	
	The Quality Control reviewers did not resolve conflicting information concerning social security numbers in six of 50 cases tested. The social security numbers as documented on the Quality Control worksheet did not agree with the copy of the social security card located in the client's case file.	
	The Quality Control Manual states, "...as the reviewer obtains evidence, he/she must evaluate it to ensure that..it does not conflict with other evidence or that the conflicts are resolved and documented." (Repeat Finding)	1,806
	We recommend that the Quality Control reviewer follow the Quality Control Manual to ensure that proper eligibility determinations have been made.	

CFDA Number | Findings and Recommendations | Questioned Costs

13.780 **Assistance Payments - Maintenance Assistance**

Eligibility

The Management Information Division ran validation tests of social security numbers of AFDC recipients. The population of these recipients included all cases dated between July 1, 1988, through June 30, 1989. The test resulted in findings of 510 instances where one social security number was assigned to recipients with different names. The test also found 182 instances where recipients with the same name had more than one social security number. We were unable to determine the amount of questioned costs, if any, related to these findings. This test was also performed for the fiscal year 1988 audit. We have been unable to determine if the questioned cases from that audit have been resolved by the Department.

The Common Rule, §_.20 (b)(3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets..." **(Repeat Finding)** $ -0-

We recommend the Department provide adequate documentation for assurance that these cases are eligible to receive federal assistance. We also recommend the Department periodically conduct this verification test and investigate all cases where the social security number may be in question.

13.780 **Assistance Payments - Maintenance Assistance**

Eligibility

The Quality Control reviewer did not resolve conflicting information concerning age in five of 60 case files tested. The date of birth as documented on the Quality Control worksheet did not agree with the copy of the birth certificate or the Bureau of Vital Statistics records located in the case file.

The Quality Control Manual states, "The date of birth of the child(ren) in the assistance unit must be verified and documented." 2,142

We recommend that the Quality Control reviewer follow the Quality Control Manual to ensure that proper eligibility determinations have been made.

CFDA Number | Findings and Recommendations | Questioned Costs

13.780 **Assistance Payments - Maintenance Assistance**

Federal Financial Reports

The cash collections for overpayments and recoupments are required to be reported to the grantor agency and the federal financial participation (FFP) amount returned to the grantor. The source documents for the quarter ending March 31, 1989, show a recoupment amount of $50,709.46 and a cash collection of $4,368.85. These were reported as 0% FFP on the SRS-OA-41 and SSA-4942, and the proper amount of federal financial participation was not returned to the grantor agency.

45 CFR, Ch II, 233.20 (13) Recovery of Overpayment and Corrections of Underpayments for AFDC...(A) states, "The state must take all reasonable steps to promptly correct any overpayment." $ 55,078

We recommend the Department implement written policies and procedures for the cash collections and recoupment of overpayments and return the FFP portion to the grantor agency.

13.780 **Assistance Payments - Maintenance Assistance**

Federal Financial Reports

Overpayment collections and recoupments are required to be reported to the grantor agency and the federal financial participation (FFP) amount returned to the grantor. The amount of recoupments reported on the form SSA-4972 for the quarter ending March 31, 1989 was $105,245.41. The amount of recoupments reported on the SRS-OA-41 form for the quarter ending March 31, 1989 was $109,573.87. These two reports did not agree.

Common Rule, §__.20 (b)(1) Financial Reporting states, "Accurate, current and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant." 4,328

We recommend the Department implement written policies and procedures to assure the proper reporting of cash collections and recoupments of overpayments.

CFDA Number	Findings and Recommendations	Questioned Costs
13.780	**Assistance Payments - Maintenance Assistance** Federal Financial Reports The amount of cash collections of overpayments reported on the SSA-4972 for the quarter ended March 31, 1989 was $18,297.63. The amount reported for cash collections of overpayments on the SRS-OA-41 for quarter ended March 31, 1989 was $17,704.58. These two reports do not agree. A review of the source documents for the reports indicates incorrect computations were made when compiling information for these reports. Common Rule, §__.20, (b)(1), states, "Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."	$ 593
	We recommend the Department implement written policies and procedures to assure the proper reporting of cash collections and recoupments.	
13.780	**Assistance Payments - Maintenance Assistance** Federal Financial Reports Overpayment recoupments are required to be reported to the grantor agency. The recoupment amount reported on the SRS-OA-41, for the quarter ending March 31, 1989, is $109,573.87. The revenue processing worksheet lists the amount as $109,988.79. The two reports do not agree. Common Rule, §_.20(b)(1) states, "Accurate, current, and complete disclosure of the financial results of financially assisted activities must be in accordance with the financial reporting requirements of the grant or subgrant."	415
	We recommend the Department implement policies and procedures to assure the accuracy of recoupment amounts reported to the grantor agency.	

CFDA Number | Findings and Recommendations | Questioned Costs

13.780 **Assistance Payments - Maintenance Assistance**

Reporting

The amounts for "total collections and recoupments" and "state and federal share of collections and recoupments" reported on the FSA-41, AFDC Quarterly Expenditure Report, could not be agreed to supporting documentation.

Accounting records used to compile the federal financial reports should be supported by complete and adequate documentation. $ -0-

We recommend written policies and procedures be established for supporting documentation which supports and agrees to amounts reported on the federal financial reports.

13.783 **Child Support Enforcement**

Cash Disbursements

We examined Child Support expenditure claims and the documentation for those claims. We found an instance where the authorizing/approving employee's signature was made by someone other than the named authorizing employee. We could not determine if the document was signed by an authorized employee. 36

We recommend that the Department strengthen internal controls by having written documentation which lists those employees authorized to approve transactions. All authorized individuals should then sign his/her own name.

13.783 **Child Support Enforcement**

Special Requirements

The Department could not provide four child support case files selected for review.

According to the Common rule, §__.42(b) "...records must be retained for three years..." and "...authorized representatives shall have the right of access to any pertinent books, documents, papers or other records...which are pertinent to the grant..." -0-

We recommend procedures be implemented to assure that records are retained and are accessible for the required period.

13.789 **Low - Income Home Energy Assistance**

Cash Disbursements

The Department maintains records of notices which are sent to clients to inform them of the amount of assistance paid directly to energy suppliers on their behalf. Notices for 38 of 54 cases tested could not be located on the microfiche. Therefore, it could not be determined if the notices were actually prepared.

The OMB Compliance Supplement states, "Procedures must be established to notify recipient households of the amount of assistance paid on their behalf to home energy suppliers directly and require participating suppliers to agree to certain non-discrimination provisions." (Public Law 97-35, Section 2605 (b)(7)) (42 U.S.C. 8624) **(Repeat Finding)** $ -0-

We recommend procedures be implemented to assure that all copies of all notices are recorded on microfiche.

13.789 **Low - Income Home Energy Assistance**

Cash Disbursements

According to a Department program supervisor, the amount reserved for crisis assistance until March 15, 1989 was not reprogrammed to "summer" crisis assistance. It does not appear that the Department reprograms these funds in compliance with the terms of the State Plan.

The 1989 State Plan states, "The State of Oklahoma estimates the amount of available LIHEAP funds will be expended as follows: $1,000,000 weatherization assistance or proportional reduction based on any FFY 89 reduction in allocation from the FFY 87 state allocation. The remainder to be expended as follows:

80% heating assistance
10% crisis assistance (5% to be reserved until 03-15-89) 0% carryover
10% administrative cost.

The funds reserved for crisis assistance which have not been expended by March 15 will be reprogrammed to summer crisis assistance." (Repeat Finding) -0-

We recommend the Department implement procedures to ensure that it complies with this requirement in the State Plan.

CFDA Number	Findings and Recommendations	Questioned Costs
13.789	**Low-Income Home Energy Assistance** Cash Disbursements One of 60 selected energy crisis payments were not made within the required time limits. According to the fiscal year 1989 LIHEAP State Plan "Application for Crisis Assistance will be processed in the county office within such period of time so that the energy provider of the household receives an authorization form for the necessary amount (but not to exceed the household maximum amount) to resolve the energy crisis within 48 hours if such household is eligible to receive such benefit...." We recommend the Department implement procedures to assure that energy crisis assistance is provided within required time limits.	$ -0-
13.789	**Low - Income Home Energy Assistance** Eligibility Due to the lack of adequate supporting documentation in the client case files, the clients eligibility could not be determined in 6 of 60 benefit payments tested. According to the fiscal 1989 State Plan "The Oklahoma maximum income eligibility limit is 110% of the FFY 88 OMB poverty guidelines for each of the components under the grantee's LIHEAP. The components are heating assistance, crisis assistance, and weatherization assistance." We recommend the Department implement procedures to ensure that supporting documentation is available to substantiate the eligibility of clients receiving benefit payments.	984

CFDA Number	Findings and Recommendations	Questioned Costs
13.789	**Low-Income Home Energy Assistance** Eligibility Low-Income Home Energy Assistance records could not be located in client case files for eight of 60 benefit payments selected for testing. The Common Rule §__.20 (a) states, "Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes." **(Repeat Finding)** We recommend the Department implement adequate procedures to assure that all LIHEAP documentation is included in client case files.	$ 1,041
13.789	**Low-Income Home Energy Assistance** Eligibility The amount claimed by an energy supplier and paid by the Department on behalf of clients exceeded the amount the client owed to the energy supplier in one of 60 benefit payments tested. The Common Rule §__.20 (a) states, "Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes." We recommend procedures be implemented to assure that amounts paid do not exceed amounts owed.	5

CFDA Number	Findings and Recommendations	Questioned Costs
13.789	**Low Income Home Energy Assistance** Eligibility In one of 60 benefit payments tested, the amount of energy crisis assistance provided to the client was greater than the amount necessary to maintain service. According to the 1989 State Plan "Benefit levels for Energy Crisis Assistance will be limited to the payment amount necessary to restore or maintain energy service to the household but will not exceed the maximum benefit level of $100 for a single person household and $150 for a household of two or more persons." We recommend the Department implement procedures to assure that payments are in accordance with the State Plan.	$ 33
13.789	**Low - Income Home Energy Assistance** Eligibility In 1 of 60 benefit payments tested, payment was made to a client whose income exceeded eligibility requirements. According to the fiscal year 1989 State Plan "The Oklahoma maximum income eligibility limit is 110% of the FFY88 OMB poverty guidelines for each of the components under the grantee's LIHEAP. The components are heating assistance, crisis assistance, and weatherization assistance." We recommend controls be strengthened to assure that eligibility levels are properly determined for all cases.	122

CFDA Number	Findings and Recommendations	Questioned Costs
13.789	**Low - Income Home Energy Assistance**	
	Eligibility	
	In one of 60 benefit payments tested, the 105-H authorization form filed in the client's case file did not document the amount the client was eligible to receive.	
	The Common Rule §_.20 (a) states, "Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes." (Repeat Finding)	$ 45
	We recommend the Department provide procedures to assure that documentation is available in the case file to determine the amount of assistance the client was authorized to receive.	
13.802	**Social Security - Disability Insurance**	
	Cash Disbursements	
	The amount paid for two of 39 medical examinations tested exceeded the state approved fee schedule.	
	"...Consultive examinations must be purchased within the confines of State-developed fee schedules." (Social Security Act, section 221) (20 CFR Parts 404 and 416)	82
	We recommend that procedures be implemented to assure consultive examination fees will not be paid in excess of the state developed fee schedule.	
13.802	**Social Security - Disability Insurance**	
	Control Environment	
	The procedure for the Claims Unit at the Disability Determination Unit is to retain an invoice for approximately four months. Then the document is shredded.	
	Common Rule, §_.42,(b)(1) "Except as otherwise provided, records must be retained for three years..."	8,604
	We recommend procedures be implemented to retain records.	

13.802 **Social Security - Disability Insurance**

Federal Financial Reports

The "DDU Time and Attendance Report" which is input to the Cost Effectiveness Measurement System (CEMS), was traced to the Unit Leave Summary Report, for the periods of June 16 through July 15, and July 16 through August 15. Time records for six Disability Determination Unit employees out of 302 did not reconcile with the Unit Leave Summary in payroll.

The OMB Compliance Supplement states, "DDSs are required to report obligations and employee time each quarter into the Cost-Effectiveness Measurement System (CEMS) database. This data must be input within 30 days after the close of the quarter." (Social Security Act, section 221) (20 CFR Parts 404 and 416). $ -0-

We recommend that procedures be implemented to assure data input into CEMS will reconcile with the payroll accounting records.

13.802 **Social Security - Disability Insurance**

Reporting

In testing the SSA-4513, SSA-871, and MER quarterly federal financial reports for the quarter ended September 30, 1988, the cover letter attached to the reports was dated October 27, 1988. Therefore, it does not appear that the reports were submitted to the Social Security Administration within 25 days after the close of the quarter as required.

The OMB Compliance Supplement states, "The Department is required to submit and certify actual obligations for each quarter on form SSA-4513. These cumulative reports are required to be received in the Social Security Administration Central Office the 25th day after the close of each quarter of the federal fiscal year." (Social Security Act, section 221) (20 CFR parts 404 and 416). -0-

We recommend the Department implement procedures to assure that the federal financial reports are submitted in a timely manner.

CFDA Number | Findings and Recommendations | Questioned Costs

13.802 **Social Security - Disability Insurance**

Reporting

The SSA-4514 Report is to be completed in accordance with the POMS instructions, Social Security Act, Section 221. The following were not completed as instructed on the SSA-4514 for the quarter ending 9-30-88:

1. The last day of the quarter was not included.
2. The "Equivalent FTE" is not calculated correctly.
3. The extended sick leave was not included in the remarks.
4. The number of hours attending conferences was undeterminable due to the lack of documentation.
5. There was no signature nor date included on the report.

The DDU is not following the POMS instructions to complete Form SSA-4514.

POMS, states, Part A, "Enter...the last day of the quarter covered by the report..."; Part C, "Fill in the appropriate entries to compute the number of standard work hours in the quarter for full-time positions."; Part D, "Explain in this space any unusual situation,...extended sick leave,...the number of hours spent attending conferences..."; Part E, "Form SSA-4514 may be signed by any appropriate State agency official." $ -0-

We recommend information on the SSA-4514 form be properly completed.

13.802 **Social Security - Disability Insurance**

Reporting

Total obligations on the State Agency Monthly Report and Assessment of Obligations State Fiscal Year 1989 could not be reconciled to the total obligations on the SSA-4513 quarterly State Agency Report of Obligations for SSA Disability Programs.

The OMB Compliance Supplement states, "The Department is required to submit and certify actual obligations for each quarter on form SSA-4513." -0-

We recommend procedures be implemented to reconcile monthly obligation reports to the totals shown on the SSA-4513 quarterly reports.

CFDA Number	Findings and Recommendations	Questioned Costs
13.802	**Social Security - Disability Insurance**	
	Reporting	
	The Department did not retain the time and attendance records for the period September 16-30, 1988 and did not report this information on the SSA-4514.	
	A letter from the Regional Commissioner of DHS, in Dallas, dated July 6, 1988, states, "WY's reported on the SSA-4514 will run through September 30, 1988. This will ensure that official funding and WY reports will be comparable and all cost properly paid. The official PPWY report for FY 1988 will be based on the SAOR work load through September 23, 1988, and a proration of the SSA-4514 WYS to adjust for the extra week."	$ -0-
	We recommend that procedures be implemented to assure time and attendance information is properly documented on the SSA-4514.	
13.802	**Social Security - Disability Insurance**	
	Types of Services Allowed or Unallowed	
	Procedures for attempting to obtain and use existing medical evidence of record before obtaining a consultive examination include the submission of a DI-S-5W form. This form must be submitted to a supervisor with the requested examination(s) and test(s) listed by the Disability Insurance examiner. If the supervisor determines the expense of a consultive examination is warranted, he authorizes the requested consultive examinations by his signature. Testwork on a sample of 39 Disability, Claimants Residual files revealed one file that did not contain a supervisor's signature on the DI-S-5W form. One file contained a DI-S-5W form with no claimant name. Therefore, no testwork could be performed on this file.	
	Internal Control procedures developed by the Disability Determination Unit require a supervisor signature authorizing the purchase of a consultive examination.	148
	We recommend procedures be implemented to insure the DI-S-5W forms have the appropriate authorizing signatures.	

CFDA Number	Findings and Recommendations	Questioned Costs
	OKLAHOMA CONSERVATION COMMISSION	
15.252	**Abandoned Mine Land Reclamation (AMLR) Program** Cash Management Cash Balances: In August 1988, cash balances applicable to grants that had previously been closed out was transferred from the Haskell County Conservation District checking account to the State Treasury 400 Fund. The Haskell County account was then closed. The excess cash in the 400 Fund is still on hand, and includes $270 which is refundable to the Haskell County Conservation District. This amount should be refunded to the Haskell County Conservation District and the remaining excess cash should be returned to the grantor agency. (Outside Independent Audit Finding)	$ 28,676
15.252	**Abandoned Mine Land Reclamation (AMLR) Program** Cash Disbursement Office Rent: The AMLR Program paid the Oklahoma Conservation Commission (OCC) a monthly rent for office costs incurred by the OCC on behalf of the AMLR Program. Such indirect costs included telephones, supplies, postage, equipment use, copying, and other similar expenses. However, there is no documentation to support the indirect costs incurred or how these costs compare to the amount of rent paid. In addition, the rental agreement between the OCC and the AMLR Program expired September 30, 1988, and does not appear to have been renewed. (Outside Independent Audit Finding)	12,085
15.252	**Abandoned Mine Land Reclamation (AMLR) Program** Cost Allocation Indirect Costs: No documentation exists to support the indirect cost charges paid during the year ended June 30, 1989. The AMLR Program used an indirect cost rate of 10% for inspection salaries and expenses and a rate of 4% for administrative salaries and expenses. (Outside Independent Audit Finding)	18,715

CFDA Number	Findings and Recommendations	Questioned Costs
15.252	**Abandoned Mine Land Reclamation (AMLR) Program**	
	Payroll	
	Unfunded Benefit Obligation: Employees of the AMLR Program are allowed to accrue annual and sick leave which may be carried forward if not used. At June 30, 1989, the total accumulated annual and sick leave earned by these employees was approximately $43,000.	
	This cost, which has not been expended has not been provided for in any of the Federal administrative grants. (Outside Independent Audit Finding)	$ -0-
	OKLAHOMA DEPARTMENT OF TRANSPORTATION	
20.600	**State and Community Highway Safety**	
	Monitoring Subrecipients	
	OMB Circular A-128 requires granting agencies to obtain audits on subrecipients that receive federal funds in excess of $25,000. The Oklahoma Department of Transportation did not receive audits for all subrecipients receiving $25,000 or more in federal funds. (Repeat Finding)	-0-
	We recommend the Department obtain these audits from the subrecipients and determine whether subrecipients are complying with federal program regulations as part of their subrecipient monitoring procedures.	
	OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS	
64.005	**Grants to States for Construction of Home Facilities**	
	Reporting	
	The beginning balance on the Schedule of Federal Financial Assistance did not agree to the ending balance reported on prior year's schedule.	(788)
	We recommend that correct balances be carried forward and reported in a proper manner.	

CFDA Number	Findings and Recommendations	Questioned Costs
64.014	**Veterans State Domiciliary Care** Reporting The beginning balance on the Schedule of Federal Financial Assistance did not agree to the ending balance reported on prior year's schedule. We recommend that correct balances be carried forward and reported in a proper manner.	$(7,290)
64.014	**Veterans State Domiciliary Care** Cash Receipts The Sulphur Center received more than the amount that was claimed on their revised State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588) for the quarter ending 9/30/88. We recommend that reimbursements received from the U.S. Department of Veterans Affairs be reconciled to the quarterly report. The appropriate cognizant agency should be notified of any discrepancies noted.	102
64.014	**Veterans State Domiciliary Care** Cost Allocation The Department's procedures concerning direct and indirect cost reporting is not in compliance with the Veterans Administration Manual M-1, Part I, Chapter 3.28 c & d. This chapter defines direct costs as "those costs which vary directly with the patient load and which can be directly attributable to providing nursing home care." Indirect costs are defined as: "costs which do not vary directly with ... patient load, etc., which apply to the entire institution rather than to any specific type of care or group of beneficiaries." Costs that vary due to patient load are being reported as both direct and indirect cost. Direct costs reflect the amount of supplies used and the indirect reflects the cost of supplies purchased less the cost of the supplies used. OMB Circular A-87 states, "It is essential, therefore, that each item of cost be treated consistently either as a direct or an indirect cost." According to this statement it does not appear that the Oklahoma Department of Veterans Affairs is in compliance with Circular A-87. We recommend that all costs that vary in relation to patient load be reported as direct costs. Indirect costs should consist of those costs that do not vary in relation to patient load.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
64.014	Veterans State Domiciliary Care	
	Payroll	
	While testing payroll, it was noted that employee signatures or supervisor approval could not be verified on nineteen of the time cards examined. Four of these exceptions were from the Claremore Center and fifteen were from the Clinton Center.	$ -0-
	We recommend that documentation of employee signatures and supervisor approval be made on all time cards. This would help insure adequate controls over the payroll function.	
64.014 64.015 64.016	Veterans State Domiciliary Care Veterans State Nursing Home Care Veterans State Hospital Care	
	Cash Disbursements	
	Title 62, O.S. Supp. 1988, § 41.4a, requires that payment for goods and services be made no later than forty-five days from the date of invoice. During cash disbursements testwork it was noted that eight claims were not paid within this time limit.	
	Four of these claims were from the Claremore Center.	1,087
	Two claims were from the Ardmore Center.	158
	One claim was from the Talihina Center.	25
	One claim was from the Sulphur Center.	19
	We recommend that all claims for goods and services be paid within forty-five days of invoice receipt.	
64.015	Veterans State Nursing Home Care	
	Reporting	
	The beginning balance on the Schedule of Federal Financial Assistance did not agree to the ending balance reported on prior year's schedule.	(882)
	We recommend that correct balances be carried forward and reported in a proper manner.	

CFDA Number	Findings and Recommendations	Questioned Costs
64.015	Veterans State Nursing Home Care	
	Reporting	
	Monthly State Home Reports (VA Form 10-5588) are required to be submitted to the Central Office from the Centers by the third working day after the end of the month. The Talihina Center's monthly report for March of 1989 was three days late.	-0-
	Monthly reports should be submitted to the Central Office on a timely basis to insure compliance with Department policies and procedures.	
64.015	Veterans State Nursing Home Care	
	Cash Receipts	
	The Talihina Center was reimbursed for more than the amount claimed on the 3/31/88 Supplemental State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588).	1,000
	We recommend that reimbursements received from the U.S. Department of Veterans Affairs be reconciled to the quarterly report. The appropriate cognizant agency should be notified of any discrepancies noted.	
64.015	Veterans State Nursing Home Care	
	Reporting	
	The beginning balance reported on the client prepared Schedule of Federal Financial Assistance for the Veterans State Nursing Home Care Program does not agree to the State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588).	1,261
	We recommend that proper amounts be reported on the Schedule of Federal Financial Assistance.	

CFDA Number	Findings and Recommendations	Questioned Costs
64.015	**Veterans State Nursing Home Care**	
	Reporting	
	The amount of federal cash received as reported on the Schedule of Federal Financial Assistance did not agree to actual deposits of federal funds. The amount on the schedule was overstated.	$ 160
	We recommend that proper amounts be reported on the Schedule of Federal Financial Assistance.	
64.015	**Veterans State Nursing Home Care**	
	Reporting	
	The expenditures reported on the Schedule of Federal Financial Assistance for the Veterans State Hospital Care do not agree to expenditures claimed on line 17 of the State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588) for the year. The amount reported on the schedule was overstated.	2,524
	We recommend that expenditures reported on the Schedule of Federal Financial Assistance agree and be adequately supported or reconciled to the State Home Report and Statement of Federal Aid Claimed.	
64.015	**Veterans State Nursing Home Care**	
	Cash Receipts	
	The Sulphur Center received more than the amount that was claimed on their revised State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588) for the quarter ending 9/30/88.	102
	We recommend that reimbursements received from the U.S. Department of Veterans Affairs be reconciled to the quarterly report. The appropriate cognizant agency should be notified of any discrepancies noted.	

CFDA Number	Findings and Recommendations	Questioned Costs
64.015	**Veterans State Nursing Home Care** Cost Allocation The Department's procedures concerning direct and indirect cost reporting is not in compliance with the Veterans Administration Manual M-1, Part I, Chapter 3.28 c & d. This chapter defines direct costs as "those costs which vary directly with the patient load and which can be directly attributable to providing nursing home care." Indirect costs are defined as: "costs which do not vary directly with ... patient load, etc., which apply to the entire institution rather than to any specific type of care or group of beneficiaries." Costs that vary due to patient load are being reported as both direct and indirect cost. Direct costs reflect the amount of supplies used and the indirect reflects the cost of supplies purchased less the cost of the supplies used. OMB Circular A-87 states, "It is essential, therefore, that each item of cost be treated consistently either as a direct or an indirect cost." According to this statement it does not appear that the Oklahoma Department of Veterans Affairs is in compliance with Circular A-87. We recommend that all costs that vary in relation to patient load be reported as direct costs. Indirect costs should consist of those costs that do not vary in relation to patient load.	$ -0-
64.015	**Veterans State Nursing Home Care** Payroll While testing payroll, it was noted that employee signatures or supervisor approval could not be verified on nineteen of the time cards examined. Four of these exceptions were from the Claremore Center and fifteen were from the Clinton Center. We recommend that documentation of employee signatures and supervisor approval be made on all time cards. This would help insure adequate controls over the payroll function.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
64.016	**Veterans State Hospital Care** Reporting The amount of federal cash received that was reported on the Schedule of Federal Financial Assistance did not agree to actual deposits of federal funds. The amount on the schedule was overstated. We recommend that proper amounts be reported on the Schedule of Federal Financial Assistance.	9,969
64.016	**Veterans State Hospital Care** Reporting The beginning balance on the Schedule of Federal Financial Assistance did not agree to the ending balance reported on the prior year's schedule. We recommend that correct balances be carried forward and reported in a proper manner.	(226,189)
64.016	**Veterans State Hospital Care** Reporting The expenditures reported on the Schedule of Federal Financial Assistance for the Veterans State Hospital Care do not agree with expenditures claimed on line 17 of the State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588) for the year. The amount reported on the schedule was overstated. We recommend that expenditures reported on the Schedule of Federal Financial Assistance agree and be adequately supported or reconciled to the State Home Report and Statement of Federal Aid Claimed.	$ 9,969
64.016	**Veterans State Hospital Care** Cash Receipts The Sulphur Center received more than the amount that was claimed on their revised State Home Report and Statement of Federal Aid Claimed (VA Quarterly Report, Form 10-5588) for the quarter ending 9/30/88. We recommend that reimbursements received from the U.S. Department of Veterans Affairs be reconciled to the quarterly report. The appropriate cognizant agency should be notified of any discrepancies noted.	102

CFDA Number	Findings and Recommendations	Questioned Costs
64.016	**Veterans State Hospital Care** Cost Allocation The Department's procedures concerning direct and indirect cost reporting is not in compliance with the Veterans Administration Manual M-1, Part I, Chapter 3.28 c & d. This chapter defines direct costs as "those costs which vary directly with the patient load and which can be directly attributable to providing nursing home care." Indirect costs are defined as: "costs which do not vary directly with ... patient load, etc., which apply to the entire institution rather than to any specific type of care or group of beneficiaries." Costs that vary due to patient load are being reported as both direct and indirect cost. Direct costs reflect the amount of supplies used and the indirect reflects the cost of supplies purchased less the cost of the supplies used. OMB Circular A-87 states, "It is essential, therefore, that each item of cost be treated consistently either as a direct or an indirect cost." According to this statement it does not appear that the Oklahoma Department of Veterans Affairs is in compliance with Circular A-87.	-0-
	We recommend that all costs that vary in relation to patient load be reported as direct costs. Indirect costs should consist of those costs that do not vary in relation to patient load.	
64.016	**Veterans State Hospital Care** Payroll While testing payroll, it was noted that employee signatures or supervisor approval could not be verified on nineteen of the time cards examined. Four of these exceptions were from the Claremore Center and fifteen were from the Clinton Center.	$ -0-
	We recommend that documentation of employee signatures and supervisor approval be made on all time cards. This would help insure adequate controls over the payroll function.	

CFDA Number — Findings and Recommendations — Questioned Costs

OKLAHOMA DEPARTMENT OF HUMAN SERVICES

72.001 **Foster Grandparents Program**

Cash Disbursements

Two warrants were issued during fiscal year 1989 (September) from the Medical and Assistance Fund (Fund 340) to the Administrative Fund (Fund 329), using money designated for fiscal year 1988 expenditures. The warrants were not for expenses incurred during the period funded as required, and were not for medical or assistance benefits.

The Department of Human Services is authorized by Oklahoma Statute 62, Section 41.21 to issue warrants from Fund 340 for settlement of claims relating to public assistance, social service benefits, and medical benefits to or for persons eligible for federal funds. We were unable to determine if these warrants were a proper expense from the Medical and Assistance Fund. $ 20,511

We recommend that the Department strengthen internal controls to assure all warrants are properly issued from Fund 340 in accordance with applicable laws and regulations.

OKLAHOMA DEPARTMENT OF EDUCATION

84.010 **Educationally Deprived Children - Local Educational Agencies**

Special Requirements

Based upon U.S. Department of Education program review (performed week of April 3-7, 1989) and review of application used during fiscal year 1989 by the Department, the SEA application form is not in compliance with federal regulations. The SEA application form contains a needs assessment assurance with the following language: "The project is based on an annual assessment of educational needs which...permits selection of those children who have the greatest need for special assistance."

Section 556(b)(2) of Chapter 1 provides that local Chapter 1 programs be based "...upon an annual assessment of educational needs which...requires, among the educationally deprived children selected, the inclusion of those children who have the greatest need for special assistance." The assurance used by the SEA would also not be consistent with § 1014(b) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (P.L. 100-297), which requires LEAs to "select those educationally deprived children who have the greatest need for special assistance." -0-

We recommend the Department revise the application to assure compliance with federal program regulations and requirements.

CFDA Number | Findings and Recommendations | Questioned Costs

84.010 **Educationally Deprived Children - Local Educational Agencies**

Special Requirements

During the U.S. Department of Education Program review (performed week of April 3-7, 1989) and review of State Chapter 1 Handbook used by the Department during fiscal year 1989, it was noted that the "1985-86 State of Oklahoma Chapter 1 Regulations and Guidelines for Local Educational Agencies," which is the basic state policy guidance for Chapter 1, does not consistently distinguish between federal and state requirements. There are numerous instances of state rules not being identified as such. Among the examples that could be cited are the requirements for size, scope, and quality in § 2.8, requirements for cooperative agreements in § 2.9, salary stipulations in § 8.5, the reimbursement provisions of § 8.7, and the limitations on non-instructional support services in § 14.4. Although the handbook uses the notation "SR" to identify state-imposed rules, this notation appears only once in the entire document.

The State Chapter 1 handbook violates § 204.13(b) of the Chapter 1 regulations, which requires the SEA to clearly identify and distinguish between federal and state rules. This requirement is also found in § 1451 of P.L. 100-297. $ -0-

We recommend the Department revise the Chapter 1 Handbook to assure compliance with federal program regulations and requirements.

OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

84.032 **Guaranteed Student Loans**

Reporting

Preparation of quarterly federal reports

During our review of the federal cash transaction report for the quarter ended June 30, 1989 prepared by the Oklahoma State Regents for Higher Education, we noted that the report was filed 30 days late. (Outside Independent Audit Finding) -0-

CFDA Number	Findings and Recommendations	Questioned Costs
84.032	**Guaranteed Student Loans** Special Requirements Due diligence During our review of loan files on defaulted student loans, we noted one loan for which the required 45 day notice requesting repayment was not filed on a timely basis. Subsequent required notices for this loan were filed on a timely basis. **(Outside Independent Audit Finding)**	$ -0-
84.032	**Guaranteed Student Loans** Special Requirements Reporting to credit bureaus During our review of procedures of the Oklahoma Guaranteed Student Loan Program, we noted that they were reporting the required default information to only two of the three national credit bureaus. The U.S. Department of Education requires guarantee agencies to report information on defaulted loans to all national credit bureaus. **(Outside Independent Audit Finding)**	-0-
	OKLAHOMA DEPARTMENT OF EDUCATION	
84.151	**Improving School Programs - State Block Grants** Cash Management Testwork performed indicates a negative cash balance for this federal program at various times throughout the fiscal year. Since all federal program claims were paid from Fund 450, and since all funds drawn against this federal program are deposited to Fund 450, it appears funds drawn for other programs are being used to pay these federal program claims. Therefore, it is possible a portion of these funds is being spent on unallowable services. We recommend all federal program cash balances be more closely monitored to prevent funds being expended on unallowable services.	-0-

84.151

Improving School Programs - State Block Grants

Cash Management

Based on dates and amounts of federal funds drawn and the federal share of expenditures reported for this program, the Department had federal cash on hand in excess of its immediate needs during November and December, 1988 and April and June, 1989. According to the "Common Rule" for grant management, the cash management requirement states, "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees." $ -0-

We recommend the Department establish procedures to assure they are in compliance with federal cash management requirements.

OKLAHOMA CIVIL DEFENSE

All Federal Programs

Indirect Costs

The Agency used a procedure for computing and billing for indirect costs that is not in compliance with the Federal Emergency Management Agency's (FEMA) Comprehensive Cooperative Agreement, CPG 1-38, para. 9-5.c. As a result, it appears that during fiscal year 1989 the agency has under billed indirect costs by approximately $95,000. 94,509

We recommend that the Agency determine indirect costs for fiscal year 1989 and bill FEMA for any unrecovered indirect costs.

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Indirect Costs The Federal Emergency Management Agency requires in the Comprehensive Cooperative Agreement, CPG 1-38, that indirect costs must be based on either an approved, negotiated cost rate or a cost allocation plan (actuals). To meet this criteria, the agency contracted with David M. Griffith and Associates, Ltd., to develop an indirect cost rate proposal as a basis for negotiating an indirect cost rate with FEMA. In our opinion, this agency does not need to develop an indirect cost rate. The size of the agency suggests they should use an indirect cost allocation plan to develop a method for accumulating actual indirect costs.	$ 48,509
	We recommend that the Agency's financial section personnel develop a cost allocation plan to recover actual indirect costs in accordance with OMB Circular A-87 and FEMA CPG 1-38.	
83.403	**Emergency Management Institute - Field Training Program**	
	Cash Disbursements One of the 51 claims in the statewide General Expenditure Test was not adequately supported. The Agency paid for 11 nights lodging while the documentation only supported 10 nights.	438
	The Agency should either obtain support for the additional night's lodging or request a refund from the recipient.	
All Federal Programs	Property and Equipment Approximately 72% of the equipment costs shown for equipment items in our sample do not agree with the costs for these items shown on the claims.	22,488
	We recommend the Agency maintain a complete inventory list that indicated the correct purchase cost.	
All Federal Programs	Property and Equipment There were three pieces of equipment on the Agency's inventory which did not agree with the description on the claim.	7,705
	We recommend the Agency maintain a correct inventory listing of all property and equipment.	

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Schedule of Federal Financial Assistance	
	Based on the reconciliation of the Agency's Financial Status Report by audit period, with the Schedule of Federal Financial Assistance, we noted several differences where the balances were not in agreement on grant program expenditures. In total the Schedule of Federal Financial Assistance balance exceeded the Financial Status Report balance by $6,663.28. We were able to reconcile all of the overage except $412.19. Officials of the agency were unable to adequately explain the difference.	$ 412
	We recommend the Agency develop a system to ensure reconciliations of federal expenditures shown on Financial Status Reports to the Schedule of Federal Financial Assistance.	
All Federal Programs	Indirect Costs	
	The Agency computes indirect costs by taking 10% of the direct labor cost plus longevity pay. Our computation to test the accuracy of the indirect costs indicated the indirect cost amount billed was not supported by the accounting records.	
	Agency officials could not explain the difference.	(558)
	We recommend the Agency develop a system to ensure that the amount of indirect cost claimed is supported by accounting records.	
	OKLAHOMA DEPARTMENT OF EDUCATION	
All Federal Programs	Reporting	
	The Department was audited by the Office of Inspector General in the area of statistical data reports which are submitted to the Office of Education's Educational Statistics Center. The years audited were 1982 and 1983, which determined the Department's federal program allocations for 1985 and 1986. The audit indicated that Oklahoma received an over-allocation. This matter is still pending. (Repeat Finding)	6,200,000
	We recommend the Department implement procedures to ensure statistical data submitted to the Office of Education is accurate.	

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs that Disburse Funds to School Districts	Monitoring Subrecipients We noted two outside independent audits of local school districts which were submitted to the Department that did not include an opinion on the Schedule of Federal Financial Assistance. According to OMB Circular A-128, § 13, "The audit report shall state that audit was made in accordance with provisions of this Circular. The report shall be made up of at least: (1) The auditor's report on financial statements and on a schedule of federal assistance,...". We recommend the Department implement procedures to assure all outside independent audits prepared for local school districts are in compliance with OMB Circular A-128.	$ -0-
	OKLAHOMA DEPARTMENT OF HEALTH	
All Federal Programs	Civil Rights The Department's Affirmative Action Plan provides for equal employment and economic opportunity at every level without regard to race, color, religion, age, disability, sex, or national origin. This plan complies with the grantor's requirement as a condition of financial assistance. However one case is pending which may result in a finding of non-compliance. We recommend the Department continue to enforce and monitor the Affirmative Action Plan.	-0-

All Federal Programs

Cost Allocation

The following data entry errors were noted in the time and effort system:

Date	Program	Hours Over or (Under) Charged	
8-88	Family Planning	6	$ 67
8-88	General MCH	(6)	(67)
8-88	Sudden Infant Death Syndrome (SIDS)	(2)	(23)
8-88	Family Planning	1	12
8-88	Adolescent Care	(7)	(85)
2-89	Child Health Supervision	(4)	(45)
2-89	Sudden Infant Death Syndrome (SIDS)	4	45
Total		(8)	(96)

We recommend the Department implement procedures to ensure the accuracy of the time and effort data.

OKLAHOMA DEPARTMENT OF HUMAN SERVICES

All Federal Programs

Cash

Most incoming receipts to the Department are initially received by the Departmental Services' Mail Room. These receipts are not recorded or restrictively endorsed prior to being submitted to the Revenue Processing Unit for entry into the accounting records and preparation of deposits. Some receipts are sent to other various Divisions and Units of the Department prior to being sent to the Revenue Processing Unit.

The Common Rule §__.20 (b) (3) states, "Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets..." The Department has not established and implemented written policies and procedures for processing of incoming receipts. **(Repeat Finding)** -0-

We recommend written policies and procedures for the processing of incoming receipts be prepared and implemented.

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cash Disbursements The appropriate 105 form, authorizing the issuance of a warrant, could not be found in the case file for seven of the 60 case files tested. Common Rule §__.20(b) (2) states, "Grantees and subgrantees must maintain records which adequately identify the source and application for funds provided for financially assisted activities. These records must contain information pertaining to...outlays or expenditures..." We recommend the Department implement procedures to assure all warrants issued are properly authorized.	$ 1,744
All Federal Programs	Cash Management The Department has not established written procedures to assure it is meeting the compliance requirement for minimizing the time elapsed between the transfer of funds from the U.S. Treasury and the disbursement of funds by the grantee. The Common Rule §__.20 (b) states, "Grantee financial management systems shall include procedures to minimize the time elapsed between the transfer of funds from the U.S. Treasury and the disbursement of funds by the grantee." **(Repeat Finding)** We recommend the Department develop written procedures and implement those procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the Department.	-0-
All Federal Programs	Civil Rights The Department's Affirmative Action Plan Provides for equal employment and economic opportunity at every level without regard to race, color, religion, age, disability, sex, or national origin. This plan complies with the grantor's requirement as a condition of financial assistance. However, there are cases pending which may result in findings of non-compliance. **(Repeat Finding)** We recommend the Department continue to enforce and monitor the Affirmative Action Plan.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cost Allocation The allocation percentages used for the Medical Evaluation Unit in the Cost Allocation Report for the quarter ended December 31, 1988 did not agree with the proportion of medical claims paid for that quarter. The September proportions were used instead of the correct December proportions. The Cost Allocation Plan indicates that the basis for allocation of the Medical Evaluation Unit is the, "Proportion of the total amount of medical claims paid for the period of each program." We recommend the Medical Evaluation Unit allocate costs according to the Cost Allocation Plan.	$ -0-
All Federal Programs	Cost Allocation A sample of employees was selected from the county Random Moment Time Study. We contacted each employee to determine the activity they were performing at the time of the interview. These responses did not match the responses recorded by the Department on form RS-ADM-S-1B. The Cost Allocation Plan appendix A.1, sec. b. states, "...at the end of the day and periodically during the day, review the RS-ADM-S-1B form and make certain th[illegible]rviews are successfully completed." We recommend the Department follow procedures to ensure proper use of form RS-ADM-S-1B.	-0-
All Federal Programs	Cost Allocation Fifteen county administrators and RMTS coordinators (out of 26 questioned) who are responsible for conducting the random moment time study indicated on a questionnaire that they have not attended meetings or seminars explaining the time study procedures. The Department is not providing adequate training for those people administering the random moment time study. (Repeat Finding) We recommend the Department train those people actually administering the random moment time study.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cost Allocation	
	The cost pool numbers in the Cost Allocation Plan do not match the cost pool numbers used in the accounting records.	
	A letter from the Department of Health and Human Services, dated April 15, 1988, stated "The CAP should include a bridging document which matches each cost pool number in the plan to its related cost pool number used in the accounting records." **(Repeat Finding)**	$ -0-
	We recommend the cost allocation plan include a bridging document as recommended by the Department of Health and Human Services.	
All Federal Programs	Cost Allocation	
	Several corrections were made by the Finance Division on the Interview Log (RS-ADM-S-1B), for the quarter ending December 31, 1988, after the logs had been received from the various county administrators. The administrators of the random moment time study indicated they weren't notified of the changes.	
	The approved cost allocation plan indicates that the interviewer is responsible for completing the RS-ADM-S-1B. **(Repeat Finding)**	-0-
	We recommend the administrators of the random moment time study be notified of any changes made by the Finance Division to the RS-ADM-S-1B form.	
All Federal Programs	Cost Allocation	
	The Speech and Hearing Unit does not reconcile actual hours worked to hours recorded on the report sent to the Finance Division for use in the allocation base. The time worked is not supported by formal time distribution records.	
	The approved cost allocation plan states that the basis for allocation of costs of the Speech and Hearing Unit is "...individual time reports."	
	OMB Circular A-87 states, "Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records." **(Repeat Finding)**	-0-
	We recommend the Speech and Hearing Unit develop adequate procedures to assure that all time spent on cases for each program has been accounted for in the allocation base. We also recommend adequate time distribution records be maintained.	

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cost Allocation The Random Moment Time Study (RMTS) included in the approved cost allocation plan does not clearly define which employees of the Department should be included in the population from which the Random Moment Time Study sample is selected. Any employee whose salary was allocated by percentages obtained from the Random Moment Time Study should be included in the population. We tested the population based on that assumption and found two employees whose time was allocated by percentages obtained from the Random Moment Time Study but were not included in the population from which the Random Moment Time Study was selected. The approved cost allocation plan indicates on pages 90 and 92 that the basis for allocation for costs in the above pools should be based on the "...Random Moment Time Study." **(Repeat Finding)** We recommend the Department amend the cost allocation plan to clearly define which employees should be included in the population from which the Random Moment Time Study is selected.	$ -0-
All Federal Programs	Cost Allocation The Department has not implemented quality control procedures to verify that the data received from the various units for allocation bases is properly computed and documented. **(Repeat Finding)** We recommend the Department implement such procedures to ensure the propriety and accuracy of the data.	-0-
All Federal Programs	Cost Allocation The Administrative Review Unit does not have any procedures to assure that the total number of cases assigned from the Management Information Division (MID) agrees to the number of cases sent to the Finance Division to be used in the allocation base. OMB Circular A-87 states, "All costs included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual charges." **(Repeat Finding)** We recommend the Department implement adequate procedures to assure that all cases reviewed have been accounted for in the allocation base for the cost allocation.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cost Allocation The costs of the Food and Nutrition Unit are allocated based on an estimate of time spent for each program. The Food and Nutrition Unit cannot substantiate the amount of time spent by employees on each program. OMB Circular A-87 states that amounts charged to grant programs "...must be supported by appropriate time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records." **(Repeat Finding)** We recommend the Department implement a method of accounting for the time spent by employees on each program.	$ -0-
All Federal Programs	Cost Allocation The Random Moment Time Study (RMTS) is not being administered in accordance with the approved policies. We sent a questionnaire to several RMTS Coordinators asking them the procedures they used when a worker could not be located. One of the 26 coordinators questioned indicated that they did not leave the form RS-ADM-S-1C on the worker's desk, when the worker could not be located. The cost allocation plan Appendix A, Page 1, states, "The worker should respond to an interview or questionnaire thereby recording their specific activity or task at the moment." Appendix A.1, part 7, section 3.g states, "...if worker cannot be located for any other reason (in field, attending meeting, etc.), leave form RS-ADM-S-1C on the worker's desk." **(Repeat Finding)** We recommend the Deparment follow the procedures in the cost allocation plan for the random moment time study and make proper use of form RS-ADM-S-1C.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cost Allocation The Random Moment Time Study (RMTS) county sample list is not being received in the county before the date the study is to be conducted. The approved Cost Allocation Plan, appendix A page 1, step 1 states, "Before each month you will receive a complete listing by unit and by day of the sample interviews." We recommend procedures be implemented to assure that the county sample list is received by the counties in a timely manner.	$ -0-
All Federal Programs	Cost Allocation The Department maintains CST050 reports which include all adjustments and corrections which were input into the cost allocation system. However, there are not any records which fully document and explain why certain salary and benefit expenditure cost pool adjustments are made. OMB Circular A-87 states, "All costs included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual charges." **(Repeat Finding)** We recommend the Department maintain formal documentation for all adjustments made for the accounting and cost allocation systems.	-0-
All Federal Programs	Cost Allocation The time and effort report for the Speech and Hearing Unit allows for the employees to charge time to the Division of Children and Youth Services (DCYS). DCYS administers several programs; however, the time from the Speech and Hearing Unit is exclusively allocated to the Social Services Block Grant. There is no written policy to indicate that this allocation is appropriate. The approved Cost Allocation Plan states that the potential cost objectives for the Speech and Hearing Unit are "Title XIX, Crippled Children, MR Services and Title XX." OMB Circular A-87 states, "Indirect cost pools should be distributed to benefiting cost objectives on a basis which will provide an equitable result in consideration of relative benefit derived." **(Repeat Finding)** We recommend that the time and effort reports indicate the name of federal programs charged rather than the Division which administers each federal program.	-0-

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Cost Allocation	
	The allocation of the utilities and phone expense shared by more than one program are not covered by the Cost Allocation Plan.	
	Circular OMB A-87 states, "A plan for allocation of costs will be required to support the distribution of any joint costs."	$ -0-
	We recommend that the Cost Allocation Plan be amended to include the procedures for the allocation of utilities and phone expenses.	
All Federal Programs	Cost Allocation	
	We selected ten employees from the Random Moment Time Study (RMTS) for the quarter ended December 31, 1988. The response to their interview was not recorded on the RS-ADM-S-1B Interview Log.	
	The approved cost allocation plan, Appendix A.1, Paragraph 2, states, "Form RS-ADM-S-1B must be used to record all scheduled interviews for the Random Moment Time Study." The RMTS Coordinators did not complete the form as required. **(Repeat Finding)**	-0-
	We recommend the Department follow procedures to ensure proper use of form RS-ADM-S-1B.	
All Federal Programs	Matching and Level of Effort	
	Many of the Federal programs administered by the Department have "matching" requirements. To compute the State matching expenditures for each Federal program, the Department computes the "total" expenditures and multiplies it by the required matching percentage. The accounting system of the Department does not provide for segregating expenditures for each Federal program nor does it segregate the State and Federal monies which funded those program expenditures. Both Federal and State monies are deposited into the same funds and accounts. Program revenues could not be traced to program expenditures to assure that the Department fully met the matching requirement. **(Repeat Finding)**	
	The Common Rule §__.24 (6) states, "Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantees."	-0-
	We recommend the Department implement procedures to adequately segregate individual program revenues and expenditures to assure the Department is meeting matching requirements.	

CFDA Number | **Findings and Recommendations** | **Questioned Costs**

All Federal Programs

Property and Equipment

The Department has not submitted fleet management policies to the Office of Public Affairs.

Section III A. of the Office of Public Affairs, Fleet Management Division, Rules and Regulations states, "All state Agencies must have on file with the Fleet Management Division, a detailed written description of their present fleet management policies and procedures." **(Repeat Finding)** $ -0-

We recommend the Department prepare and submit fleet management policies and procedures to the Office of Public Affairs.

All Federal Programs

Property and Equipment

A sample of equipment purchased during fiscal year 1989 was selected from the equipment additions listing. The equipment additions listing did not agree with corresponding claims and/or invoices for 17 of the 60 pieces of equipment tested. The date was not properly recorded in the equipment additions listing for 11 pieces of equipment. The cost of five pieces of equipment was not properly recorded in the equipment additions listing. A claim number could not be identified for one equipment item tested. 4,963

We recommend procedures be implemented to assure that agency records accurately reflect the acquisition date, location, and cost of the property.

All Federal Programs

Property and Equipment

Two items, in a sample of 45, that were purchased during the year could not be located. Records describing the exact location of these items are stored on a computer disk. The person responsible for this equipment was not present and had the only copy of the disk in their possession.

Section 1539 of the DHS policy manual states, "The property controls consists of: one ledger maintained by nomenclature and by OPWC number; one ledger maintained by location, by nomenclature, and by OPWC number; and equipment record card for each item of equipment; and an equipment file for each section or division of the State Office and one for each local office or warehouse." 4,046

We recommend procedures be implemented to assure equipment inventory records are available.

CFDA Number	Findings and Recommendations	Questioned Costs
All Federal Programs	Property and Equipment The Departmental Services Division is responsible for compiling annual equipment inventory records from counts taken by all Department locations statewide. Fiscal year 1989 equipment inventory counts have not been received from 100 locations. Section 1539 of the DHS policy manual states, "An annual inventory is taken by each group at separate times during the year depending on the group. A set of ledgers listing equipment in nomenclature and OPWC order by location is sent to each separate location to which it pertains. An inventory is then conducted by the person responsible for equipment in the location to see that each item is accounted for in the proper manner. After the inventory is completed and signed by the person responsible, the original is returned to Departmental Services and a copy is retained by the location." We recommend procedures be implemented to assure equipment inventory counts are taken and recorded for all equipment.	$ -0-
All Federal Programs	Revenue A category of revenue titled "miscellaneous" was included on the Department's Schedule of Federal Financial Assistance. The Department could not identify the federal programs associated with this revenue. OMB Circular A-128 states, "...the auditor shall determine whether the organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations." We recommend the Department designate a central division to be responsible for identifying and accounting for all federal programs administered by the Department and that all federal programs be properly presented on the Schedule of Federal Financial Assistance.	90,672

CFDA Number	Findings and Recommendations	Questioned Costs
	OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS	
All Federal Programs	Cash Receipts	
	The official deposits of federal funds did not contain a signed certification stating that the funds received were in compliance with SB-326, (1981 First Session), as required by § 680.D of the Office of State Finance procedures manual. **(Repeat Finding)**	$ -0-
	We recommend that all official deposits of federal funds contain this signed certification.	

INDEX OF SCHEDULE OF AWARDS, CFDA FINDINGS, RECOMMENDATIONS AND REQUIREMENT CATEGORIES

Page

10.064 139
10.069 139
10.475 139
10.550 139
10.551 .... 139, 175, 176
10.553 139
10.555 .... 139, 158
10.556 139
10.557 .... 139, 160-162, 177, 178
10.558 .... 139, 159, 179
10.559 139
10.560 139
10.561 .... 139, 180
10.564 139
10.568 .... 139, 180
10.664 139
10.901 139
10.902 139
10.904 139
11.305 139
11.407 139
11.803 139
12.001 139
13.110 140
13.116 140
13.118 140
13.125 140
13.141 140
13.146 140
13.150 140
13.158 140
13.217 140
13.242 140
13.244 140
13.246 140
13.268 140
13.283 140
13.608 140
13.630 .... 140, 180
13.633 .... 140, 181
13.635 .... 140, 181
13.641 .... 140, 182
13.645 140
13.647 140
13.658 .... 140, 182, 183

13.659 . . . 140
13.667 . . . 140, 184
13.668 . . . 141
13.669 . . . 141
13.670 . . . 141
13.671 . . . 141
13.672 . . . 141
13.674 . . . 141
13.714 . . . 141, 162, 185-188
13.773 . . . 141
13.777 . . . 141
13.780 . . . 141, 162, 163, 189-195
13.783 . . . 141, 195
13.786 . . . 141
13.787 . . . 141
13.789 . . . 141, 196-200
13.790 . . . 141
13.792 . . . 141
13.796 . . . 141
13.802 . . . 141, 200-203
13.812 . . . 141
13.977 . . . 141
13.987 . . . 141
13.991 . . . 141
13.992 . . . 141
13.994 . . . 141, 142
14.227 . . . 142
14.228 . . . 142
14.230 . . . 142
14.231 . . . 142
14.550 . . . 142
15.130 . . . 142
15.250 . . . 142
15.252 . . . 142, 157, 158, 204, 205
15.605 . . . 142
15.611 . . . 142
15.612 . . . 142
15.904 . . . 142
15.916 . . . 142
16.540 . . . 143, 156
16.541 . . . 143
16.550 . . . 143
16.572 . . . 143
16.573 . . . 143
16.575 . . . 143
16.576 . . . 143
16.579 . . . 143, 169
16.581 . . . 143
17.002 . . . 144
17.003 . . . 144
17.203 . . . 144
17.207 . . . 144
17.225 . . . 144
17.235 . . . 144
17.245 . . . 144

17.246 144
17.250 144
17.500 144
17.600 144
17.801 144
17.804 144
20.005 144
20.205 145, 170, 171
20.218 145
20.303 145
20.509 145
20.513 145
20.600 145, 171, 205
20.700 145
45.003 145
45.007 145
45.015 145
64.014 145, 206, 207
64.015 145, 172, 207-210
64.016 145, 211, 212
64.111 145
66.001 145
66.419 146
66.432 146
66.433 146
66.435 146
66.438 146
66.454 146
66.459 146
66.701 146
66.703 146
66.801 146
66.802 146
66.804 146
66.805 146
72.001 146, 213
81.041 146
81.042 147
81.050 147
81.052 147
83.403 147
83.501 147
83.503 147
83.505 147
83.508 147
83.509 147
83.511 147
83.513 147
83.514 147
83.516 147
83.517 147
83.519 147
84.002 147
84.003 147
84.004 147

84.009 147
84.010 147, 213, 214
84.011 147
84.012 147
84.013 147
84.024 148, 156
84.025 148
84.027 148, 159
84.029 148
84.032 148, 214, 215
84.034 148
84.035 148
84.048 148
84.049 148
84.051 148
84.053 148
84.063 148
84.069 148
84.126 148, 163
84.128 148
84.129 148
84.146 148
84.151 148, 215, 216
84.154 148
84.161 148
84.162 148
84.164 148
84.167 148
84.169 148
84.173 148
84.174 148
84.176 148
84.177 148
84.178 148
84.181 148
84.185 150
84.186 150
84.192 150
84.196 150
89.003 150
Cash Disbursements 152, 155, 157, 159, 162-168, 172, 184, 185, 189, 195-197, 200, 207, 213, 216, 221
Cash Management 152, 158, 161, 177, 181, 182, 204, 215, 216, 221
Cash Receipts 135, 152, 155, 170, 189, 206, 208, 209, 211, 230
Cost Allocation 152, 156, 158, 161, 204, 206, 210, 212, 217, 220, 222-227
Indirect Costs 158, 204, 206, 210, 212, 216-218
Monitoring Subrecipients 152, 178, 179, 205, 219
Property and Equipment 156, 159, 160, 168, 180, 217, 228, 229
Reporting 150, 152, 157, 160, 163, 166, 183, 193-195, 201-203, 205-212, 214, 215, 218
Schedule of Federal Financial Assistance 151, 150, 160, 171, 173, 180, 205-209, 211, 218, 219, 229
Special Requirements 152, 162, 187, 195, 213-215
Types of Services Allowed or Unallowed 152, 168, 177, 178, 203